

State of Illinois, Department of Healthcare and Family Services NextLevel Health Partners Final Medicaid MLR Report 2019					
<b>1. Medical Loss Ratio Numerator</b>		<b>Regulatory Definitions (42 CFR)</b>	<b>EUM Submission</b>	<b>Adjustments</b>	<b>Value</b>
1.1 Incurred Claims		§ 438.8(e)(2)	\$ 231,370,574	\$ 0	\$ 231,370,574
1.2 Activities that improve health care quality		§ 438.8(e)(3)	24,771,977	-	24,771,977
1.3 Fraud reduction expenses		§ 438.8(e)(2)(iii)(B)	-	-	-
<b>1.4 MLR numerator</b>		<b>§ 438.8(e)(1)</b>	<b>\$ 256,142,551</b>	<b>\$ 0</b>	<b>\$ 256,142,551</b>
1.5 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 22,132,702	\$ 0	\$ 22,132,702
<b>2. Medical Loss Ratio Denominator</b>		<b>Regulatory Definitions (42 CFR)</b>	<b>EUM Submission</b>	<b>Adjustments</b>	<b>Value</b>
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 260,067,421	\$ 30,216,740	\$ 290,284,161
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	18,920,124	3,549,766	22,469,890
<b>2.3 MLR denominator</b>		<b>§ 438.8(f)(1)</b>	<b>\$ 241,147,297</b>	<b>\$ 26,666,974</b>	<b>\$ 267,814,270</b>
<b>3. MLR Calculation</b>		<b>Regulatory Definitions (42 CFR)</b>			<b>Value</b>
<b>3.1 Member Months</b>		<b>§ 438.8(b)</b>			<b>586,973</b>
3.2 Unadjusted MLR					95.64%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
<b>3.4 Adjusted MLR</b>		<b>§ 438.8(h)</b>			<b>95.64%</b>
<b>4. Remittance</b>					<b>Value</b>
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)					95.64%
<b>4.4 Remittance dollar amount owed for MLR reporting period</b>					<b>\$ 0.00</b>

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)	NextLevel
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 222,632,018
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	3,104,657
Other Claims	All Columns	6,894,305
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	-
Financials	Recov Gross Rx Rebates	(796,967)
Financials	Recov Gross NonRx	-
Financials	Recov Gross Rx	-
Non Benefit Expense	Pharmacy Spread Admin + Pharmacy Spread HCQI	(463,439)
Subcontractor	Residual Gain/Loss	-
<b>Total Incurred Claims</b>		<b>\$ 231,370,574</b>

Risk Adjusted Revenue Calculation		
File/Tab	Description	NextLevel
Revenue	Received_Net_Cap_Paymt	\$ 242,315,577
Revenue	Received_Withhold_Earned	-
Revenue	Received_Govt_Prov_Risk_Pool	-
Revenue	Accrued_Net_Cap_Paymt	-
Revenue	Accrued_Withhold_Earned	1,294,648
Revenue	Accrued MCO Taxes	-
Revenue	Received MCO Taxes	16,457,196
Revenue	Accrued_Govt_Prov_Risk_Pool	-
CY2019 EP4 NSPS	Waived Copays	-
Revenue	Received_HIF	-
Revenue	Accrued_HIF	-
<b>Total Revenue</b>		<b>\$ 260,067,421</b>
Adjustments:		
Less Reported Revenue		\$ (242,315,577)
Less MCO Taxes		(16,457,196)
Less Reported Withhold Earned		(1,294,648)
Less Reported HIF		-
Less Reported GPRP		-
Add Risk Adjusted Recalculated Revenue		263,671,635
Add Final GPRP transfer		3,559,289
Add MCO Tax		16,457,196
Add Withhold Earned per HFS		1,630,985
Add HIF Revenue from HIF Amendment		4,965,055
<b>Total Adjustment</b>		<b>\$ 30,216,740</b>

Reported Taxes	
Description	NextLevel
Taxes, Fees, and Assessments	\$ 2,462,928
HIF	-
MCO Tax	16,457,196
<b>Total Reported Taxes</b>	<b>\$ 18,920,124</b>
Adjustments:	
Less Reported HIF	\$ 0
Add HIF from HIF Amendment	3,549,766
<b>Total Adjustment</b>	<b>\$ 3,549,766</b>

**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).

<b>Revenue</b>	<b>HealthChoice</b>	<b>MMAI-Medicaid</b>	<b>MMAI-Medicare</b>	<b>Other</b>	<b>Total Revenue</b>
Data Request Revenue	\$ 248,513,826	\$ 0	\$ 0	\$ 0	\$ 248,513,826
NAIC Revenue	\$ 269,868,763	\$ 0	\$ 0	\$ 0	\$ 269,868,763
Revenue Reconciliation Items	\$ (21,354,937)	\$ 0	\$ 0	\$ 0	\$ (21,354,937)
<b>Reconciled Revenue Variance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Reconciled Revenue Percent Variance</b>	<b>0.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0%</b>

<b>Benefit Expense</b>	<b>HealthChoice</b>	<b>MMAI-Medicaid</b>	<b>MMAI-Medicare</b>	<b>Other</b>	<b>Total Benefit Expense</b>
Data Request Benefit Expense	\$ 240,381,609	\$ 0	\$ 0	\$ 0	\$ 240,381,609
NAIC Benefit Expense	\$ 228,295,439	\$ 0	\$ 0	\$ 0	\$ 228,295,439
Benefit Expense Reconciliation Items	\$ 12,086,170	\$ 0	\$ 0	\$ 0	\$ 12,086,170
<b>Reconciled Benefit Expense Variance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Reconciled Benefit Expense Percent Variance</b>	<b>0.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0%</b>

<b>Non-Benefit Expense</b>	<b>HealthChoice</b>	<b>MMAI-Medicaid</b>	<b>MMAI-Medicare</b>	<b>Other</b>	<b>Total Non-Benefit Expense</b>
Data Request Non-Benefit Expense	\$ 39,386,608	\$ 0	\$ 0	\$ 0	\$ 39,386,608
NAIC Non-Benefit Expense	\$ 47,742,385	\$ 0	\$ 0	\$ 0	\$ 47,742,385
Non-Benefit Expense Reconciliation Items	\$ (8,355,778)	\$ 0	\$ 0	\$ 0	\$ (8,355,778)
<b>Reconciled Non-Benefit Expense Variance</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Reconciled Non-Benefit Expense Percent Variance</b>	<b>0.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0%</b>

<b>Net Underwriting Gain</b>	<b>HealthChoice</b>	<b>MMAI-Medicaid</b>	<b>MMAI-Medicare</b>	<b>Other</b>	<b>Total Net Underwriting Gain</b>
Data Request Net Underwriting Gain	\$ (31,254,391)	\$ 0	\$ 0	\$ 0	\$ (31,254,391)
Reconciled NAIC Net Underwriting Gain	\$ (31,254,390)	\$ 0	\$ 0	\$ 0	\$ (31,254,390)
<b>Reconciled Net Underwriting Gain Variance</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>
<b>Net Underwriting Gain Percent</b>					
Data Request Net Underwriting Gain %	(12.6%)	N/A	N/A	N/A	(12.6%)
Reconciled NAIC Net Underwriting Gain %	(12.6%)	N/A	N/A	N/A	(12.6%)
<b>Net Underwriting Gain Variance %</b>	<b>(0.0%)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>(0.0%)</b>

State of Illinois, Department of Healthcare and Family Services CY 2019 Final Medical Loss Ratio Calculation Description of Allocation Methodologies	
ALLOCATED EXPENDITURE	NEXTLEVEL
IBNR	Reserves are recorded separately for each product. Each products' reserve amounts were then allocated to each rate cell based on a pro rata share of membership for each product.
Non Claims Costs	Expenses were allocated based on a pro rata share of revenue for the populations.
Corporate Expenses to Local Plan	N/A
Revenue	Revenue is recorded at the rate cell level.