

State of Illinois, Department of Healthcare and Family Services Aetna Health Plan Final Medicaid MLR Report 2020					
1. Medical Loss Ratio Numerator^{1,2}		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
1.1 Incurred Claims		§ 438.8(e)(2)	\$ 2,041,337,060	\$ 0	\$ 2,041,337,060
1.2 Activities that improve health care quality		§ 438.8(e)(3)	45,153,377	-	45,153,377
1.3 Fraud Recovery (Gross and Net)		§ 438.8(e)(2)(iii)(B)	-	-	-
1.4 Fraud Prevention Activities		§ 438.8(e)(4)	-	-	-
1.5 MLR numerator		§ 438.8(e)(1)	\$ 2,086,490,437	\$ 0	\$ 2,086,490,437
1.6 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 245,430,454	\$ 0	\$ 245,430,454
2. Medical Loss Ratio Denominator^{1,3}		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 2,626,591,121	\$ (284,641,066)	\$ 2,341,950,054
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	(267,924,880)	282,763,230	14,838,350
2.3 MLR denominator		§ 438.8(f)(1)	\$ 2,358,666,241	\$ (1,877,836)	\$ 2,356,788,404
3. MLR Calculation⁴		Regulatory Definitions (42 CFR)			Value
3.1 Member Months		§ 438.8(b)			4,430,299
3.2 Unadjusted MLR					88.53%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
3.4 Adjusted MLR		§ 438.8(h)			88.53%
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 CMS purposes (please enter as a percentage)					88.53%
4.4 Remittance dollar amount owed for CMS formula in the MLR reporting period					\$ 0

Notes

- 1 • CY 2020 results reflect MLRs reported base data provided by Aetna Health Plan as of December 15, 2022.
- 2 • Fraud prevention activities [45 CFR 158.150(c)] are included in "expenditures and activities" that must not be included in quality improving activities; therefore, we have not included it in incurred claims.
- 3 • Revenue Notes:
 - Revenue has been calculated using the capitation file received from HFS on January 13, 2023 which includes capitation payments through December 27, 2022.
 - Calculated earned withhold represents 1.5% of the gross effective capitation since all MCOs earned 100% of the withhold in CY 2020.
 - Premium Revenue and Taxes are reported net of the MCO tax.
- 4 • Rounded to two decimals, per MLR Guarantee Provision.

Incurred Claims		
Tab	Column(s)	Aetna
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 1,956,446,075
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	74,577,077
Other Claims	All Columns	21,909,385
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	17,947,314
Financials	Recov Gross Rx Rebates	-
Financials	Recov Gross NonRx	-
Financials	Recov Gross Rx	(54,746)
Financials	State Reimbursed EMT	(48,324,554)
Subcontractor	Residual Gain/Loss	18,836,509
Total Incurred Claims		\$ 2,041,337,060

Risk Adjusted Revenue Calculation		
File/Tab	Description	Aetna
Revenue	Received_Net_Cap_Paymt	\$ 2,367,832,987
Revenue	Received_Withhold_Earned	22,579,556
Revenue	Received_Mat_Risk_Pool	-
Revenue	Received MCO Taxes	282,763,230
Revenue	Accrued_Net_Cap_Paymt	(42,496,697)
Revenue	Accrued_Withhold_Earned	12,831,657
Revenue	Accrued_Risk_Corridor	(12,178,935)
Revenue	Accrued_Maternity_Risk_Pool	(4,740,677)
Revenue	Accrued MCO Taxes	-
Total Revenue		\$ 2,626,591,121
Adjustments:		
Less Reported Revenue		\$ (2,325,336,290)
Less Reported MCO Taxes		(282,763,230)
Less Reported Withhold Earned		(35,411,213)
Less Reported Risk Corridor Settlement Received/(Paid)		12,178,935
Less Reported Maternity Risk Pool		4,740,677
Add Capitation Revenue		2,325,497,306
Add Final Maternity Risk Pool Transfer Payment		(4,740,677)
Add Final Risk Corridor Settlement Transfer Payment		(14,220,240)
Add Withhold Earned on Capitation Payments		35,413,665
Total Adjustment		\$ (284,641,066)

Reported Taxes	
Description	Aetna
App B Reported Taxes, Fees, and Assessments	\$ (14,838,350)
Schedule of Taxes	282,763,230
Total Reported Taxes	\$ 267,924,880
Adjustments:	
Less MCO Tax	\$ (282,763,230)
Total Adjustment	\$ (282,763,230)

State of Illinois, Department of Healthcare and Family Services 2020 NAIC Annual Statement Reconciliation Reconciliation Summary by MCO	
Revenue	Aetna
Data Request Revenue	\$ 2,638,473,260
NAIC Revenue	3,096,231,871
Revenue Reconciliation Items	(457,758,610)
Reconciled Revenue Variance	\$ (0)
Reconciled Revenue Percent Variance	(0.0%)
Benefit Expense	Aetna
Data Request Benefit Expense	\$ 2,119,840,311
NAIC Benefit Expense	2,642,725,440
Benefit Expense Reconciliation Items	(522,885,128)
Reconciled Benefit Expense Variance	\$ (0)
Reconciled Benefit Expense Percent Variance	(0.0%)
Non-Benefit Expense	Aetna
Data Request Non-Benefit Expense	\$ 514,564,008
NAIC Non-Benefit Expense	514,010,264
Non-Benefit Expense Reconciliation Items	553,744
Reconciled Non-Benefit Expense Variance	\$ (0)
Reconciled Non-Benefit Expense Percent Variance	(0.0%)
Net Underwriting Gain	Aetna
Data Request Net Underwriting Gain	\$ 4,068,941
Reconciled NAIC Net Underwriting Gain	4,068,941
Reconciled Net Underwriting Gain Variance	\$ 0
Net Underwriting Gain Percent	
Data Request Net Underwriting Gain %	0.2%
Reconciled NAIC Net Underwriting Gain %	0.2%
Net Underwriting Gain Variance %	0.0%

State of Illinois, Department of Healthcare and Family Services CY 2020 Final Medical Loss Ratio Calculation Description of Allocation Methodologies by MCO	
ALLOCATED EXPENDITURE	AETNA
IBNR	Aetna Better Health of Illinois (formerly IlliniCare) IBNR methodology is developed at the rate cell/region and service category level.
Non Claims Costs	Non Benefit Expenses are incurred at a Population level/rate cell. Hence, allocation are done at the rate cell level or allocated ratably to rate cell groups.
Corporate Expenses to Local Plan	N/A
Revenue	All estimates were developed at the rate cell and regional level.