

State of Illinois, Department of Healthcare and Family Services Blue Cross/Blue Shield of Illinois Final Medicaid MLR Report 2020					
<b>1. Medical Loss Ratio Numerator<sup>1,2</sup></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)	\$ 2,608,531,199	\$ 0	\$ 2,608,531,199
1.2 Activities that improve health care quality		§ 438.8(e)(3)	107,901,075	-	107,901,075
1.3 Fraud Recovery (Gross and Net)		§ 438.8(e)(2)(iii)(B)	-	-	-
1.4 Fraud Prevention Activities		§ 438.8(e)(4)	-	-	-
<b>1.5 MLR numerator</b>		<b>§ 438.8(e)(1)</b>	<b>\$ 2,716,432,274</b>	<b>\$ 0</b>	<b>\$ 2,716,432,274</b>
1.6 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 238,133,427	\$ 0	\$ 238,133,427
<b>2. Medical Loss Ratio Denominator<sup>1,3</sup></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)	\$ 3,305,339,364	\$ (306,441,226)	\$ 2,998,898,138
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	(259,931,951)	259,931,951	-
<b>2.3 MLR denominator</b>		<b>§ 438.8(f)(1)</b>	<b>\$ 3,045,407,413</b>	<b>\$ (46,509,275)</b>	<b>\$ 2,998,898,138</b>
<b>3. MLR Calculation<sup>4</sup></b>		<b>Regulatory Definitions (42 CFR)</b>			<b>Value</b>
<b>3.1 Member Months</b>		<b>§ 438.8(b)</b>			<b>6,263,782</b>
3.2 Unadjusted MLR					90.58%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
<b>3.4 Adjusted MLR</b>		<b>§ 438.8(h)</b>			<b>90.58%</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 CMS purposes (please enter as a percentage)					90.58%
<b>4.4 Remittance dollar amount owed for CMS formula in the MLR reporting period</b>					<b>\$ 0</b>

Notes

- 1 • CY 2020 results reflect MLRs reported base data provided by Blue Cross/Blue Shield of Illinois 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)	BCBS
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 2,626,642,302
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	254,760
Other Claims	All Columns	2,416,961
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	19,938,102
Financials	Recov Gross Rx Rebates	-
Financials	Recov Gross NonRx	(1,683,664)
Financials	Recov Gross Rx	(967,449)
Financials	State Reimbursed EMT	(38,272,787)
Subcontractor	Residual Gain/Loss	202,973
<b>Total Incurred Claims</b>		<b>\$ 2,608,531,199</b>

Risk Adjusted Revenue Calculation		
File/Tab	Description	BCBS
Revenue	Received_Net_Cap_Paymt	\$ 3,003,078,195
Revenue	Received_Withhold_Earned	28,694,687
Revenue	Received_Mat_Risk_Pool	8,243,430
Revenue	Received MCO Taxes	324,956,005
Revenue	Accrued_Net_Cap_Paymt	(19,314,902)
Revenue	Accrued_Withhold_Earned	14,481,950
Revenue	Accrued_Risk_Corridor	(54,800,000)
Revenue	Accrued_Maternity_Risk_Pool	-
Revenue	Accrued MCO Taxes	-
<b>Total Revenue</b>		<b>\$ 3,305,339,364</b>

<b>Adjustments:</b>		
Less Reported Revenue		\$ (2,983,763,292)
Less Reported MCO Taxes		(324,956,005)
Less Reported Withhold Earned		(43,176,637)
Less Reported Risk Corridor Settlement Received/(Paid)		54,800,000
Less Reported Maternity Risk Pool		(8,243,430)
Add Capitation Revenue		2,983,799,733
Add Final Maternity Risk Pool Transfer Payment		8,243,430
Add Final Risk Corridor Settlement Transfer Payment		(38,583,600)
Add Withhold Earned on Capitation Payments		45,438,575
<b>Total Adjustment</b>		<b>\$ (306,441,226)</b>

Reported Taxes	
Description	BCBS
App B Reported Taxes, Fees, and Assessments	\$ 0
Schedule of Taxes	259,931,951
<b>Total Reported Taxes</b>	<b>\$ 259,931,951</b>
<b>Adjustments:</b>	
Less MCO Tax	\$ (259,931,951)
<b>Total Adjustment</b>	<b>\$ (259,931,951)</b>

<b>State of Illinois, Department of Healthcare and Family Services 2020 NAIC Annual Statement Reconciliation Reconciliation Summary by MCO</b>	
<b>Revenue</b>	<b>BCBS</b>
Data Request Revenue	\$ 3,293,783,074
NAIC Revenue	3,853,525,894
Revenue Reconciliation Items	(560,330,355)
<b>Reconciled Revenue Variance</b>	<b>\$ 587,535</b>
<b>Reconciled Revenue Percent Variance</b>	<b>0.0%</b>
<b>Benefit Expense</b>	<b>BCBS</b>
Data Request Benefit Expense	\$ 2,569,371,925
NAIC Benefit Expense	3,237,538,190
Benefit Expense Reconciliation Items	(667,645,086)
<b>Reconciled Benefit Expense Variance</b>	<b>\$ (521,179)</b>
<b>Reconciled Benefit Expense Percent Variance</b>	<b>(0.0%)</b>
<b>Non-Benefit Expense</b>	<b>BCBS</b>
Data Request Non-Benefit Expense	\$ 655,897,992
NAIC Non-Benefit Expense	660,328,847
Non-Benefit Expense Reconciliation Items	(4,430,855)
<b>Reconciled Non-Benefit Expense Variance</b>	<b>\$ 0</b>
<b>Reconciled Non-Benefit Expense Percent Variance</b>	<b>0.0%</b>
<b>Net Underwriting Gain</b>	<b>BCBS</b>
Data Request Net Underwriting Gain	\$ 68,513,156
Reconciled NAIC Net Underwriting Gain	67,404,443
<b>Reconciled Net Underwriting Gain Variance</b>	<b>\$ 1,108,713</b>
<b>Net Underwriting Gain Percent</b>	
Data Request Net Underwriting Gain %	2.1%
Reconciled NAIC Net Underwriting Gain %	2.0%
<b>Net Underwriting Gain Variance %</b>	<b>0.0%</b>

State of Illinois, Department of Healthcare and Family Services CY 2020 Final Medical Loss Ratio Calculation Description of Allocation Methodologies by MCO	
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	MCAP, HIF, earned withhold, risk corridor, and the government risk pool were allocated as a percentage of revenue. The MCO Tax was allocated as a percentage of member months.