

State of Illinois, Department of Healthcare and Family Services Meridian 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)	\$ 3,382,161,734	\$ 0	\$ 3,382,161,734
1.2 Activities that improve health care quality		§ 438.8(e)(3)	136,545,275	-	136,545,275
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)	\$ 3,518,707,009	\$ 0	\$ 3,518,707,009
1.6 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 285,609,765	\$ 0	\$ 285,609,765
2. Medical Loss Ratio Denominator^{1,3}		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 4,262,642,412	\$ (342,104,185)	\$ 3,920,538,227
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	(366,579,297)	345,848,465	(20,730,832)
2.3 MLR denominator		§ 438.8(f)(1)	\$ 3,896,063,115	\$ 3,744,280	\$ 3,899,807,395
3. MLR Calculation⁴		Regulatory Definitions (42 CFR)			Value
3.1 Member Months		§ 438.8(b)			9,744,219
3.2 Unadjusted MLR					90.23%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
3.4 Adjusted MLR		§ 438.8(h)			90.23%
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)					90.23%
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 Meridian 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)	Meridian
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 3,332,641,369
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	70,527,103
Other Claims	All Columns	27,899,992
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	17,566,834
Financials	Recov Gross Rx Rebates	-
Financials	Recov Gross NonRx	(2,206,479)
Financials	Recov Gross Rx	-
Financials	State Reimbursed EMT	(64,267,085)
Subcontractor	Residual Gain/Loss	-
Total Incurred Claims		\$ 3,382,161,734

Risk Adjusted Revenue Calculation		
File/Tab	Description	Meridian
Revenue	Received_Net_Cap_Paymt	\$ 3,957,727,617
Revenue	Received_Withhold_Earned	38,357,664
Revenue	Received_Mat_Risk_Pool	(3,182,300)
Revenue	Received MCO Taxes	345,848,465
Revenue	Accrued_Net_Cap_Paymt	(29,827,256)
Revenue	Accrued_Withhold_Earned	19,530,888
Revenue	Accrued_Risk_Corridor	(65,812,667)
Revenue	Accrued_Maternity_Risk_Pool	-
Revenue	Accrued MCO Taxes	-
Total Revenue		\$ 4,262,642,412

Adjustments:		
Less Reported Revenue		\$ (3,927,900,362)
Less Reported MCO Taxes		(345,848,465)
Less Reported Withhold Earned		(57,888,552)
Less Reported Risk Corridor Settlement Received/(Paid)		65,812,667
Less Reported Maternity Risk Pool		3,182,300
Add Capitation Revenue		3,920,737,856
Add Final Maternity Risk Pool Transfer Payment		(3,182,300)
Add Final Risk Corridor Settlement Transfer Payment		(56,723,997)
Add Withhold Earned on Capitation Payments		59,706,668
Total Adjustment		\$ (342,104,185)

Reported Taxes	
Description	Meridian
App B Reported Taxes, Fees, and Assessments	\$ 20,730,832
Schedule of Taxes	345,848,465
Total Reported Taxes	\$ 366,579,297
Adjustments:	
Less MCO Tax	\$ (345,848,465)
Total Adjustment	\$ (345,848,465)

State of Illinois, Department of Healthcare and Family Services 2020 NAIC Annual Statement Reconciliation Reconciliation Summary by MCO	
Revenue	Meridian
Data Request Revenue	\$ 4,264,231,382
NAIC Revenue	4,113,533,839
Revenue Reconciliation Items	150,545,650
Reconciled Revenue Variance	\$ 151,893
Reconciled Revenue Percent Variance	0.0%
Benefit Expense	Meridian
Data Request Benefit Expense	\$ 3,428,611,697
NAIC Benefit Expense	3,596,768,453
Benefit Expense Reconciliation Items	(169,711,607)
Reconciled Benefit Expense Variance	\$ 1,554,851
Reconciled Benefit Expense Percent Variance	0.0%
Non-Benefit Expense	Meridian
Data Request Non-Benefit Expense	\$ 764,088,652
NAIC Non-Benefit Expense	386,212,141
Non-Benefit Expense Reconciliation Items	378,137,151
Reconciled Non-Benefit Expense Variance	\$ (260,640)
Reconciled Non-Benefit Expense Percent Variance	(0.0%)
Net Underwriting Gain	Meridian
Data Request Net Underwriting Gain	\$ 71,531,033
Reconciled NAIC Net Underwriting Gain	72,673,351
Reconciled Net Underwriting Gain Variance	\$ (1,142,318)
Net Underwriting Gain Percent	
Data Request Net Underwriting Gain %	1.7%
Reconciled NAIC Net Underwriting Gain %	1.7%
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	MERIDIAN
IBNR	<p>Above the line accruals are developed by service category, as well as some of our below the line accruals (pre July 2021). For below the line accruals not developed by service category, we allocate to service category using the above the line accruals. An additional step is done to allocate IBNR to LTSS service category, using paid claims history (these accruals are initially included within other service categories such as Inpatient Hospital)</p> <p>For allocations to region/rate cell we use paid claims data reported on Benefit Expense.</p>
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	<ol style="list-style-type: none"> 1. MCAP data is received by population, incurred month, and region. It is allocated down to rate cell using 820 payment counts (for recent months where a population has no payments received, accrued payment counts were used). Beginning in 2020, we no longer receive totals by population, incurred month and region, however 820 payment counts are still used for allocation. 2. Health Insurer Fee is allocated based on Net Revenue 3. Withhold Received and Withhold Accrued is also allocated based on Net Revenue 4. GPRP Accrual is received by population and region. It is allocated down to rate cell based on total member months