

State of Illinois, Department of Healthcare and Family Services Blue Cross/Blue Shield of Illinois Final Medicaid MLR Report 2021					
<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)	\$ 3,384,228,947	\$ 0	\$ 3,384,228,947
1.2 Activities that improve health care quality		§ 438.8(e)(3)	96,487,735	-	96,487,735
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>\$ 3,480,716,683</b>	<b>\$ 0</b>	<b>\$ 3,480,716,683</b>
1.6 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 283,236,765	\$ 0	\$ 283,236,765
<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)	\$ 4,216,263,928	\$ (259,657,539)	\$ 3,956,606,389
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	(258,877,381)	258,877,381	-
<b>2.3 MLR denominator</b>		<b>§ 438.8(f)(1)</b>	<b>\$ 3,957,386,548</b>	<b>\$ (780,159)</b>	<b>\$ 3,956,606,389</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>7,713,395</b>
3.2 Unadjusted MLR					87.97%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
<b>3.4 Adjusted MLR</b>		<b>§ 438.8(h)</b>			<b>87.97%</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)					87.97%
<b>4.4 Remittance dollar amount owed for CMS formula in the MLR reporting period</b>					<b>\$ 0</b>

Notes

- 1 • CY 2021 results reflect MLRs reported data provided by Blue Cross/Blue Shield of Illinois as of November 3, 2023.
- 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 for all MCOs has been calculated using the capitation file received from HFS on July 14, 2023 which includes capitation payments through June 30, 2023.
  - Earned withhold adjusted to reflect 100% of the calculated withhold amounts based on the HFS provided earned withhold representing 1.5% from May 2, 2023 report; and earned withhold representing 0.5% calculated based on paid capitation through June 30, 2023.
  - MCO revenue and taxes are 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	\$ 3,312,659,418
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	53,406,640
Other Claims	All Columns	34,635,312
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	3,042,921
Financials	Recov Gross Rx Rebates	-
Financials	Recov Gross NonRx	(5,324,055)
Financials	Recov Gross Rx	(2,380,631)
Financials	State Reimbursed EMT	(19,432,664)
Subcontractor	Residual Gain/Loss	7,622,005
<b>Total Incurred Claims</b>		<b>\$ 3,384,228,947</b>

Risk Adjusted Revenue Calculation		
File/Tab	Description	BCBS
Revenue	Received_Net_Cap_Paymt	\$ 3,938,515,043
Revenue	Received_Withhold_Earned	93,491,533
Revenue	Received_Mat_Risk_Pool	-
Revenue	Received MCO Taxes	276,115,555
Revenue	Accrued_Net_Cap_Paymt	(29,414,745)
Revenue	Accrued_Withhold_Earned	-
Revenue	Accrued_Risk_Corridor	(68,174,285)
Revenue	Accrued_Maternity_Risk_Pool	5,730,827
Revenue	Accrued MCO Taxes	-
<b>Total Revenue</b>		<b>\$ 4,216,263,928</b>
Adjustments:		
	Less Reported Revenue	\$ (3,909,100,299)
	Less Reported MCO Taxes	(276,115,555)
	Less Reported Withhold Earned	(93,491,533)
	Less Reported Risk Corridor Settlement Received/(Paid)	68,174,285
	Less Reported Maternity Risk Pool	(5,730,827)
	Add Adjusted Revenue	3,929,285,086
	Add Final Maternity Risk Pool Transfer Payment	5,730,827
	Add Risk Corridor Settlement Transfer Payment	(74,636,472)
	Add Withhold Provided from HFS	96,226,948
<b>Total Adjustment</b>		<b>\$ (259,657,539)</b>

Reported Taxes		
Description	BCBS	
App B Reported Taxes, Fees, and Assessments	\$ 0	
Schedule of Taxes	258,877,381	
<b>Total Reported Taxes</b>	<b>\$ 258,877,381</b>	
Adjustments:		
	Less MCO Tax	\$ (258,877,381)
<b>Total Adjustment</b>	<b>\$ (258,877,381)</b>	

<b>State of Illinois, Department of Healthcare and Family Services 2021 NAIC Annual Statement Reconciliation Reconciliation Summary</b>	
<b>Revenue</b>	<b>BCBS</b>
Data Request Revenue	\$ 4,731,150,521
NAIC Revenue	5,501,598,627
Revenue Reconciliation Items	(770,373,516)
<b>Reconciled Revenue Variance</b>	<b>\$ (74,590)</b>
<b>Reconciled Revenue Percent Variance</b>	<b>0.0%</b>
<b>Benefit Expense</b>	<b>BCBS</b>
Data Request Benefit Expense	\$ 3,974,728,540
NAIC Benefit Expense	4,741,807,666
Benefit Expense Reconciliation Items	(767,023,942)
<b>Reconciled Benefit Expense Variance</b>	<b>\$ (55,183)</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	\$ 681,415,961
NAIC Non-Benefit Expense	690,900,261
Non-Benefit Expense Reconciliation Items	(9,484,300)
<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	\$ 75,006,020
Reconciled NAIC Net Underwriting Gain	75,025,427
<b>Reconciled Net Underwriting Gain Variance</b>	<b>\$ (19,407)</b>
<b>Net Underwriting Gain Percent</b>	
Data Request Net Underwriting Gain %	1.6%
Reconciled NAIC Net Underwriting Gain %	1.6%
<b>Net Underwriting Gain Variance %</b>	<b>0.0%</b>

State of Illinois, Department of Healthcare and Family Services CY 2021 Final Medical Loss Ratio Calculation Description of Allocation Methodologies	
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	Earned withhold and risk corridor were allocated as a percentage of revenue. The MCO Tax was allocated as a percentage of member months.