

State of Illinois, Department of Healthcare and Family Services Meridian Health Plan Final Medicaid MLR Report 2021					
1. Medical Loss Ratio Numerator^{1,2}		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
1.1 Incurred Claims		§ 438.8(e)(2)	\$ 4,135,974,258	\$ 0	\$ 4,135,974,258
1.2 Activities that improve health care quality		§ 438.8(e)(3)	137,597,141	-	137,597,141
1.3 Fraud Recovery (Gross and Net)		§ 438.8(e)(2)(iii)(B)	70,895	-	70,895
1.4 Fraud Prevention Activities		§ 438.8(e)(4)	-	-	-
1.5 MLR numerator		§ 438.8(e)(1)	\$ 4,273,642,294	\$ 0	\$ 4,273,642,294
1.6 Non-Claims costs (not included in numerator)		§ 438.8(e)(2)(v)(A)	\$ 340,640,571	\$ 0	\$ 340,640,571
2. Medical Loss Ratio Denominator^{1,3}		Regulatory Definitions (42 CFR)	EUM Submission	Adjustments	Value
2.1 Premium Revenue		§ 438.8(f)(2)	\$ 5,088,832,773	\$ (285,004,448)	\$ 4,803,828,325
2.2 Federal, State, and local taxes and licensing and regulatory fees		§ 438.8(f)(3)	(365,473,816)	321,745,393	(43,728,423)
2.3 MLR denominator		§ 438.8(f)(1)	\$ 4,723,358,957	\$ 36,740,945	\$ 4,760,099,902
3. MLR Calculation⁴		Regulatory Definitions (42 CFR)			Value
3.1 Member Months		§ 438.8(b)			10,832,299
3.2 Unadjusted MLR					89.78%
3.3 Credibility adjustment		§ 438.8(h)			0.00%
3.4 Adjusted MLR		§ 438.8(h)			89.78%
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)					89.78%
4.4 Remittance dollar amount owed for CMS formula in the MLR reporting period					\$ 0

Notes

- 1 • CY 2021 results reflect MLRs reported data provided by Meridian Health Plan 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)	Meridian
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 3,932,955,054
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections	166,212,363
Other Claims	All Columns	35,454,397
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	7,391,712
Financials	Recov Gross Rx Rebates	-
Financials	Recov Gross NonRx	(2,891,358)
Financials	Recov Gross Rx	-
Financials	State Reimbursed EMT	(22,659,340)
Subcontractor	Residual Gain/Loss	19,511,429
Total Incurred Claims		\$ 4,135,974,258

Risk Adjusted Revenue Calculation		
File/Tab	Description	Meridian
Revenue	Received_Net_Cap_Paymt	\$ 4,761,016,828
Revenue	Received_Withhold_Earned	58,521,790
Revenue	Received_Mat_Risk_Pool	1,483,893
Revenue	Received MCO Taxes	321,745,393
Revenue	Accrued_Net_Cap_Paymt	(38,172,224)
Revenue	Accrued_Withhold_Earned	20,441,898
Revenue	Accrued_Risk_Corridor	(36,204,805)
Revenue	Accrued_Maternity_Risk_Pool	(0)
Revenue	Accrued MCO Taxes	-
Total Revenue		\$ 5,088,832,773
Adjustments:		
	Less Reported Revenue	\$ (4,722,844,604)
	Less Reported MCO Taxes	(321,745,393)
	Less Reported Withhold Earned	(78,963,688)
	Less Reported Risk Corridor Settlement Received/(Paid)	36,204,805
	Less Reported Maternity Risk Pool	(1,483,893)
	Add Adjusted Revenue	4,747,442,490
	Add Final Maternity Risk Pool Transfer Payment	(1,483,894)
	Add Risk Corridor Settlement Transfer Payment (HealthChoice and YouthCare)	(25,242,565)
	Add Withhold Provided from HFS	83,112,293
Total Adjustment		\$ (285,004,448)

Reported Taxes		
Description	Meridian	
App B Reported Taxes, Fees, and Assessments	\$ 43,728,423	
Schedule of Taxes	321,745,393	
Total Reported Taxes	\$ 365,473,816	
Adjustments:		
	Less MCO Tax	\$ (321,745,393)
Total Adjustment	\$ (321,745,393)	

State of Illinois, Department of Healthcare and Family Services 2021 NAIC Annual Statement Reconciliation Reconciliation Summary	
Revenue	Meridian
Data Request Revenue	\$ 5,502,277,737
NAIC Revenue	5,132,648,725
Revenue Reconciliation Items	370,106,879
Reconciled Revenue Variance	\$ (477,867)
Reconciled Revenue Percent Variance	(0.0%)
Benefit Expense	Meridian
Data Request Benefit Expense	\$ 4,526,759,943
NAIC Benefit Expense	4,560,665,530
Benefit Expense Reconciliation Items	(31,445,748)
Reconciled Benefit Expense Variance	\$ (2,459,840)
Reconciled Benefit Expense Percent Variance	(0.1%)
Non-Benefit Expense	Meridian
Data Request Non-Benefit Expense	\$ 870,587,937
NAIC Non-Benefit Expense	504,848,548
Non-Benefit Expense Reconciliation Items	365,554,686
Reconciled Non-Benefit Expense Variance	\$ 184,703
Reconciled Non-Benefit Expense Percent Variance	0.0%
Net Underwriting Gain	Meridian
Data Request Net Underwriting Gain	\$ 104,929,858
Reconciled NAIC Net Underwriting Gain	103,132,588
Reconciled Net Underwriting Gain Variance	\$ 1,797,270
Net Underwriting Gain Percent	
Data Request Net Underwriting Gain %	1.9%
Reconciled NAIC Net Underwriting Gain %	1.9%
Net Underwriting Gain Variance %	0.0%

State of Illinois, Department of Healthcare and Family Services CY 2021 Final Medical Loss Ratio Calculation Description of Allocation Methodologies	
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	Withhold Received and Withhold Accrued are allocated to region and rate cell based on Net Revenue.