

**State of Illinois, Department of Healthcare and Family Services  
Blue Cross/Blue Shield of Illinois  
CY 2022 Medicaid Medical Loss Ratio Calculation**

<b>1. Medical Loss Ratio Numerator<sup>1, 2, 3</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)	\$ 3,756,316,699	\$ 0	\$ 3,756,316,699
1.2 Activities that improve health care quality	§ 438.8(e)(3)	114,353,493	-	114,353,493
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>\$ 3,870,670,192</b>	<b>\$ 0</b>	<b>\$ 3,870,670,192</b>
1.6 Non-Claims costs (not included in numerator)	§ 438.8(e)(2)(v)(A)	\$ 291,142,025	\$ 0	\$ 291,142,025

<b>2. Medical Loss Ratio Denominator<sup>1, 4</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)	\$ 4,676,568,661	\$ (304,303,493)	\$ 4,372,265,168
2.2 Federal, state, and local taxes and licensing and regulatory fees	§ 438.8(f)(3)	(289,749,662)	289,749,662	-
<b>2.3 MLR denominator</b>	<b>§ 438.8(f)(1)</b>	<b>\$ 4,386,819,000</b>	<b>\$ (14,553,832)</b>	<b>\$ 4,372,265,168</b>

<b>3. MLR Calculation<sup>5</sup></b>	<b>Regulatory Definitions (42 CFR)</b>	<b>Value</b>
<b>3.1 Member months</b>	<b>§ 438.8(b)</b>	<b>8,389,030</b>
3.2 Unadjusted MLR		88.53%
3.3 Credibility adjustment	§ 438.8(h)	0.00%
<b>3.4 Adjusted MLR</b>	<b>§ 438.8(h)</b>	<b>88.53%</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?	88.00%
4.3 Calculated MLR for CMS purposes (please enter as a percentage)	88.53%
<b>4.4 Remittance dollar amount owed for CMS formula in the MLR reporting period</b>	<b>\$ 0</b>

**Notes**

- 1 • CY 2022 results reflect reported data provided by all MCOs as of September 20, 2024.
- 2 • No separate payment term directed payments were included in incurred claims for the remittance calculation.
- 3 • Fraud prevention activities [45 CFR 158.150(c)] are included in "expenditures and activities" that must not be included in quality improvement activities; therefore, we have not included it in incurred claims.
- 4 • Revenue Notes:
  - Revenue for all MCOs has been calculated using the capitation file received from HFS on October 15, 2024, which includes capitation payments through September 30, 2024.
  - Earned withhold adjusted to reflect 100% of the calculated withhold amounts based on the HFS provided earned withhold representing 2.0% of the earned capitation revenue from the January 25, 2024, report.
  - MCO revenue and taxes are net of the MCO tax.
  - No separate payment term directed payments were included in premium revenue.
- 5 • Rounded to two decimals, per MLR Guarantee provision in the HealthChoice Illinois Managed Care Organization contract.

<b>Incurred Claims</b>		
<b>Tab</b>	<b>Column(s)</b>	<b>BCBS</b>
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	\$ 3,628,463,774
	Subcapitated Proxy Paid + Encounter Rejections + Lump Sum Provider	
Benefit Expense	Settlements	87,533,641
Other Claims	All Columns	28,616,780
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	2,188,477
Financials	Recov Gross NonRx	(3,056,317)
Financials	Recov Gross Rx	(4,797,266)
Subcontractor	Residual Gain/Loss	17,367,611
<b>Total Incurred Claims</b>		<b>\$ 3,756,316,699</b>

<b>Risk Adjusted Revenue Calculation</b>		
<b>File/Tab</b>	<b>Description</b>	<b>BCBS</b>
Revenue	Received_Net_Cap_Paymt	\$ 4,266,748,651
Revenue	Received_Withhold_Earned	102,971,380
Revenue	Received_Mat_Risk_Pool	2,744,770
Revenue	Received MCO Taxes	302,753,803
Revenue	Accrued_Net_Cap_Paymt	1,350,057
Revenue	Accrued_Maternity_Risk_Pool	-
<b>Total Revenue</b>		<b>\$ 4,676,568,661</b>
<b>Adjustments:</b>		
	Less Reported Revenue	\$ (4,268,098,708)
	Less Reported MCO Taxes	(302,753,803)
	Less Reported Withhold Earned	(102,971,380)
	Less Reported Maternity Risk Pool	(2,744,770)
	Add Adjusted Revenue	4,266,549,017
	Add Final Maternity Risk Pool Transfer Payment	2,744,770
	Add Withhold Provided from HFS	102,971,380
<b>Total Adjustment</b>		<b>\$ (304,303,493)</b>

<b>Reported Taxes</b>		
<b>Description</b>	<b>BCBS</b>	
Reported Taxes, Fees, and Assessments	\$ 0	
MCO Tax	289,749,662	
<b>Total Reported Taxes</b>	<b>\$ 289,749,662</b>	
<b>Adjustments:</b>		
	Less MCO Tax	\$ (289,749,662)
<b>Total Adjustment</b>	<b>\$ (289,749,662)</b>	