State of Illinois, Department of Healthcare and Family Services Molina Healthcare CY 2022 Medicaid Medical Loss Ratio Calculation				
1. Medical Loss Ratio Numerator[1,2,3]	**Regulatory Definitions (42 CFR)**	**EUM Submission**	**Adjustments**	**Value**
1.1 Incurred claims	§ 438.8(e)(2)	$ 1,546,220,566	$ 0	$ 1,546,220,566
1.2 Activities that improve health care quality	§ 438.8(e)(3)	38,292,409	-	38,292,409
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)**	**$ 1,584,512,975**	**$ 0**	**$ 1,584,512,975**
1.6 Non-Claims costs (not included in numerator)	§ 438.8(e)(2)(v)(A)	$ 132,212,869	$ 0	$ 132,212,869

2. Medical Loss Ratio Denominator[1,4]	**Regulatory Definitions (42 CFR)**	**EUM Submission**	**Adjustments**	**Value**
2.1 Premium revenue	§ 438.8(f)(2)	$ 2,033,738,593	$ (172,594,085)	$ 1,861,144,508
2.2 Federal, state, and local taxes and licensing and regulatory fees	§ 438.8(f)(3)	(203,399,853)	173,055,822	(30,344,031)
2.3 MLR denominator	**§ 438.8(f)(1)**	**$ 1,830,338,740**	**$ 461,737**	**$ 1,830,800,477**

3. MLR Calculation[5]	**Regulatory Definitions (42 CFR)**			**Value**
3.1 Member months	**§ 438.8(b)**			**4,013,009**
3.2 Unadjusted MLR				86.55%
3.3 Credibility adjustment	§ 438.8(h)			0.00%
3.4 Adjusted MLR	**§ 438.8(h)**			**86.55%**

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?				88.00%
4.3 Calculated MLR for CMS purposes (please enter as a percentage)				86.55%
4.4 Remittance dollar amount owed for CMS formula in the MLR reporting period				**$ 26,546,607**

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.

Incurred Claims		
Tab	**Column(s)**	**Molina**
Benefit Expense	Direct Paid + Encounter Rejections + Non Encounterable + Ineligible	$ 1,496,993,532
Benefit Expense	Subcapitated Proxy Paid + Encounter Rejections + Lump Sum Provider Settlements	35,512,901
Other Claims	All Columns	11,737,933
Financials	Non-Subcap Reserves + Subcap Reserves + Pending Settlements	1,976,200
Financials	Recov Gross NonRx	-
Financials	Recov Gross Rx	-
Subcontractor	Residual Gain/Loss	-
Total Incurred Claims		**$ 1,546,220,566**

Risk Adjusted Revenue Calculation		
File/Tab	**Description**	**Molina**
Revenue	Received_Net_Cap_Paymt	$ 1,818,859,007
Revenue	Received_Withhold_Earned	42,634,180
Revenue	Received_Mat_Risk_Pool	-
Revenue	Received MCO Taxes	173,055,822
Revenue	Accrued_Net_Cap_Paymt	729,958
Revenue	Accrued_Maternity_Risk_Pool	(1,540,375)
Total Revenue		**$ 2,033,738,593**
Adjustments:		
Less Reported Revenue		$ (1,819,588,966)
Less Reported MCO Taxes		(173,055,822)
Less Reported Withhold Earned		(42,634,180)
Less Reported Maternity Risk Pool		1,540,375
Add Adjusted Revenue		1,820,050,702
Add Final Maternity Risk Pool Transfer Payment		(1,540,375)
Add Withhold Provided from HFS		42,634,180
Total Adjustment		**$ (172,594,085)**

Reported Taxes	
Description	**Molina**
Reported Taxes, Fees, and Assessments	$ 30,344,031
MCO Tax	173,055,822
Total Reported Taxes	**$ 203,399,853**
Adjustments:	
Less MCO Tax	$ (173,055,822)
Total Adjustment	**$ (173,055,822)**