

Purpose of the Plan to State Medical Loss Ratio (MLR) Reporting Template

As described at 42 CFR §438.8(a) (cross-referenced in Children's Health Insurance Program [CHIP] regulations at 42 CFR §457.1203(f)), states must ensure that the Medicaid and CHIP managed care organizations (MCOs), risk-based prepaid inpatient health plans (PIHPs), and risk-based prepaid ambulatory health plans (PAHPs) they contract with (collectively referred to as managed care plans [MCPs]) calculate and report an MLR in accordance with Medicaid regulatory standards. This template and accompanying toolkit provide states with a guide for collecting and monitoring MLR information from their MCPs. Specifically, states can use this template to gather MLR information from MCPs that states need to fulfill their responsibility to submit summary MLR reports to the Centers for Medicare & Medicaid Services (CMS) as required under 42 CFR §438.74. Before submitting summary MLR reports to CMS under 42 CFR §438.74, states must validate the MLR information received from MCPs. This template should not be used to submit summary MLR reports to CMS. Use of this template is optional for states.

Communications

States may submit questions about this template to DMCPMLR@cms.hhs.gov. [States should modify the text in this cell to explain how MCPs can submit questions to the state.]

MLR Reporting Template Organization

Consistent with 42 CFR §438.8(a), this template provides space for states to collect and analyze MLR information from MCPs. Generally, states with more than one managed care program, such as states with an MCO-based program and a separate managed long-term services and supports (MLTSS) program, or a separate PIHP or PAHP program for behavioral health or dental services, should require MCPs to use separate versions of this template for MLR reporting for each program. CMS defines a managed care program as having a specified set of benefits, eligibility criteria, and capitation rates that are articulated in a contract between the state and managed care plans. Refer to the State Instructions tab for additional guidance on whether MCPs should submit a separate template for each managed care program.

This template is designed to be a starting point for states' MLR data collection and analysis. The template includes all key reporting areas for which states must collect data, and guidance on how to validate the reported data. States should familiarize themselves with the contents and structure of the template and determine how best to customize the template to fit the state's objectives. Refer to the State Instructions tab for a list of sections of the template that require the state's customization. States may further customize the template beyond the required elements in order to ensure it meets the state's MLR data collection and analysis goals.

Throughout the template, cells are colored according to the types of inputs that they accept or require, using the following system:

<u>Cell color:</u>	<u>Input type:</u>
Beige	Accepts input from state user
Purple	Requires input from MCP user (colored purple when the MCP has not entered data)
Blue	Requires input from MCP user (automatically turns to blue when data input provided)
White	Accepts input from MCP user. States should encourage MCPs to report information in these lines, including by changing lines to the purple shade when applicable in the state.
Light gray	Does not accept user input. Input could result in template error.
Dark gray	Does not accept user input.

States can customize this template to reflect their Medicaid and CHIP managed care programs, which is explained in the State Instructions tab. The tabs are organized as follows:

<u>Tab topic:</u>	<u>Tab name:</u>
State instructions for template setup and use	State Instructions
MCP instructions for template completion	MCP Instructions
MCP information, state-defined template customization, attestation	MCP and Report Information
MLR reporting and remittance calculations	Pt 1 Summary of Data
Allocation methodologies utilized by the MCP to allocate costs	Pt 2 Allocation Methodologies
Financial statement data covering the MLR period	Pt 3 Financial Statements

Comparison of financial statement data from Pt 3 to MLR data from Pt 1
Tables used to calculate credibility adjustments

Pt 3.1 Compare to Financials
Reference Tables

PRA Disclosure Statement. The purpose of this Paperwork Reduction Act package is to estimate the time it would take to complete this voluntary template. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #87). The time required to complete this information collection is estimated to average 5 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850

General State Instructions

The instructions below describe which lines on each tab the state must modify in the MLR template for managed care plans (MCPs) in its Medicaid and/or CHIP program(s). States should lock down all cells on Parts 1, 2, 3, and 3.1 that are not white or purple before providing the template to MCPs. States are encouraged to customize additional sections of the template beyond those specified below in order to achieve the state's data collection and analysis objectives.

State Specifications on the MCP and Report Information Tab

Line #	Line Description	Data Format	Instructions for State Template Users
3.	Business in the State of:	<i>Free text</i>	Input the name of the state.
12.	MLR Reporting Year Begin:	<i>Date (MM/DD/YYYY)</i>	Input the applicable MLR reporting period begin date for the rate setting year for which MLR data is being collected.
13.	MLR Reporting Year End:	<i>Date (MM/DD/YYYY)</i>	Input the applicable MLR reporting period end date for the rate setting year for which MLR data is being collected.
14.	Runout Date:	<i>Date (MM/DD/YYYY)</i>	Input the applicable runout period end date.
15.	Financial Statement Variance Threshold:	<i>Numeric (decimal between 0 and 1)</i>	Input a value between 0 and 100 percent to flag differences between MLR values from the Pt 1 Summary of Data tab and financial statement totals from the Pt 3 Financial Statements tab. The smaller the ratio, the more likely that variances will be flagged to request explanation of the variance from the MCP.
16.	Credibility and MLR Calculation:	<i>Set values (drop down)</i>	Select an option from the drop down menu based on whether the state's rates are certified for each population or in the aggregate. Specifically, select an option to (1) calculate a credibility adjustment and adjusted MLR ratio for each individual program/population column included in the Pt 1 Summary of Data tab (no total MLR calculated) or (2) to calculate a credibility adjustment and adjusted MLR ratio for only the aggregated values in the total column.
20.	Attestation	<i>Free text (32,767 character limit)</i>	The attestation language included on the MCP and Report Information tab is an example. Update the language for the state-specific attestation.

State Specifications on the Part 1 Summary of Data Tab

Column #	Column Description	Data Format	Instructions for State Template Users
4 through 18	Column headers for Medicaid/CHIP eligibility categories (populations) and/or programs	<i>Free text</i>	Input applicable Medicaid/CHIP managed care program and/or population description(s) in cells D3 through R3 (column numbers 4 through 18) for which the state prefers to collect separate MLR data for informational and/or rate-setting purposes. Generally, states with more than one managed care program (e.g. separate managed care organization [MCO], managed long-term services and supports [MLTSS], dental, and/or behavioral health programs) should use separate versions of this template for MLR reporting for each program. These states can determine whether they would like their MCPs to submit a separate template for each program their MCPs operate in, or if the state's managed care programs operate similarly and allow the state to (1) collect MLR data and (2) calculate the MLRs for each program within the same template. For example, if a state has two MCO-based programs and the state only wants to collect aggregated data across all populations enrolled in those programs, the state can consider allowing its MCPs to submit one template that includes MLR information for each program.
Line #	Line Description	Data Format	Instructions for State Template Users
2.3a through 2.3f	Net payments or receipts related to risk sharing mechanisms	<i>Free text</i>	Input description of applicable risk sharing mechanisms in column 2 on lines 2.3a through 2.3f. Includes risk sharing mechanisms, such as risk corridor settlements, between the state and the MCP.
2.6a through 2.6y	State directed payments paid under separate payment terms	<i>Free text</i>	Input description of applicable state directed payments (SDPs) paid under separate payment terms in column 2 on lines 2.6a through 2.6y. Do not include SDPs paid through the capitation rate.
6.1u through 6.1z	State-specified non-claims costs	<i>Free text</i>	Input descriptions of non-claims costs necessary for the state to collect for rate-setting or other purposes in column 2 on lines 6.1u through 6.1z. Examples include interpretation/translation services, provider screening and enrollment expenses, pharmacy benefit manager/pharmacy benefit administrator fees, provider monitoring expenses and prior year MLR rebates paid.

7.12	Remittance dollar amount owed for MLR reporting period [MDCT-MCR line 4.6.1]	<i>Input formula unless remittance is N/A (256 character limit for formula)</i>	If the contract includes an MLR remittance requirement, input remittance formula(s) in cells D140 through S140 to calculate the remittance based on MCP user input. If the contract does not include an MLR remittance requirements, this line is not applicable and can be hidden or marked "N/A".
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State Specifications on the MCP Instructions Tab

Line #	Line Description	Data Format	Instructions for State Template Users
2.3a through 2.3f	Risk sharing mechanisms lines instructions	<i>Free text (32,767 character limit)</i>	For each risk sharing mechanism, the state may customize the reporting instructions based on the modifications to the Part 1 Summary of Data tab above.
2.6a through 2.6y	SDP lines instructions	<i>Free text (32,767 character limit)</i>	For each state directed payment line, the state may customize the reporting instructions based on the modifications to the Part 1 Summary of Data tab above.
6.1o through 6.1z	State-specified non-claims costs instructions	<i>Free text (32,767 character limit)</i>	For each state-specified non-claims cost, the state may customize the reporting instructions based on the modifications to the Part 1 Summary of Data tab above.

State Specifications on the Part 2 Allocation Methodologies Tab

Line #	Line Description	Data Format	Instructions for State Template Users
States may have contractual requirements for MCPs to use a specific allocation methodology, or may prefer MCPs to use a specific allocation methodology for one or more types of expense to increase comparability across MCPs. The state can customize the MCP Instructions tab and the Part 2 Allocation Methodologies tab to direct MCPs to use the mandated methodology(ies) for the applicable expense types.			

State Specifications on the Part 3 Financial Statements Tab

Line #	Line Description	Data Format	Instructions for State Template Users
Many states require MCPs to submit financial data prior to or along with the MLR submission. Especially if states validate the financial data prior to the MLR submission, states may pre-populate the MCPs' MLR templates with previously submitted financial data and lock down the pre-populated values, requiring the MCPs to reconcile to the previously-submitted data. This may help prevent states from having to validate MCP-submitted financial data more than once.			

Instructions for Completing the MCP and Report Information Tab

The MCP and Report Information tab collects data about the managed care plan (MCP), provides the state-defined MLR reporting period begin and end dates, the state-defined runout date, the state-set financial statement variance threshold, and the state's selection for which columns of Part 1 calculate a credibility adjustment and adjusted MLR. The MCP should complete the MCP and Report Information tab lines 2, 4 through 11, 17 and 18 prior to completing the Part 1 Summary of Data tab, as the responses to some of these lines customize specific template lines based on the reporting methodology/source documentation used by the MCP to report MLR values. Upon completion of all required information within the template, and after review by senior members of management, an executive of the company operating the MCP who is responsible for financial reporting should read the attestation statement on item 20 and provide a signature and signature date. Per 42 CFR §438.8(n), the MCP must attest to the accuracy of the calculation of the MLR in accordance with the requirements of the managed care regulations. Finally, line 1 should be completed to reflect the report submission date to the state.

Line #	Line Description	Data Format	Instructions
1.	Report Date:	<i>Date (MM/DD/YYYY)</i>	Input the date the report is submitted to the state.
2.	MCP Name:	<i>Free text</i>	Input the MCP name.
3.	Business in the State of:	<i>No input by the MCP</i>	Field is defined by state agency.
4.	Domiciliary State:	<i>Free text</i>	Input the name of the state where the company operating the MCP is domiciled.
5.	Address:	<i>Free text</i>	Input the MCP's mailing address.
6.	Preparer Name:	<i>Free text</i>	Input the name of the person who entered information into the template and can answer questions about the submitted report.
7.	Preparer Title:	<i>Free text</i>	Input the title of the person who entered information into the template and can answer questions about the submitted report.
8.	Preparer Phone Number:	<i>Enter number as ###-###-####</i>	Input the phone number of the person who entered information into the template and can answer questions about the submitted report.
9.	Preparer E-mail Address:	<i>Enter as e-mail address</i>	Input the e-mail address of the person who entered information into the template and can answer questions about the submitted report.
10.	Federal Tax Exempt:	<i>Set values (drop down)</i>	Input "Yes" if the MCP is exempt from federal income taxes or "No" if it is not.
11.	Managed Long-Term Services and Supports Only:	<i>Set values (drop down)</i>	Input "Yes" if the managed care program provides only Managed Long-Term Services and Supports (MLTSS) or "No" if it does not.
12.	MLR Reporting Year Begin:	<i>No input by the MCP</i>	Field is defined by state agency.
13.	MLR Reporting Year End:	<i>No input by the MCP</i>	Field is defined by state agency.
14.	Runout Date:	<i>No input by the MCP</i>	Field is defined by state agency.
15.	Financial Statement Variance Threshold:	<i>No input by the MCP</i>	Field is defined by state agency.
16.	Credibility and MLR Calculation:	<i>No input by the MCP</i>	Field is defined by state agency.
17.	Reporting Methodologies, Question 1 (premium revenues)	<i>Set values (drop down)</i>	For MCPs reporting premium revenues on Part 1 using accrual based financial statements amounts, the reported amounts likely include premium revenues earned for members eligible for benefits in prior and/or subsequent MLR periods to the MLR reporting year. If premium revenues reported on Part 1 include premium revenues for MLR periods outside of the MLR reporting year, use the changes to unearned premium lines to eliminate premium revenues earned for MLR periods outside of the MLR reporting year (answer "No"). If premium revenues reported on Part 1 are already limited to premium revenues earned for members eligible for coverage during the MLR reporting year, the changes to unearned premium lines should be left blank (answer "Yes").
18.	Reporting Methodologies, Question 2 (incurred claims)	<i>Set values (drop down)</i>	For MCPs reporting incurred claims on Part 1 using accrual based financial statements amounts, the reported amounts likely include claims incurred for members eligible for benefits in prior and/or subsequent MLR periods to the MLR reporting year. If incurred claims reported on Part 1 include claims incurred for MLR periods outside of the MLR reporting year, use the changes to claims-related reserves lines to eliminate claims incurred for MLR periods outside of the MLR reporting year (answer "No"). If incurred claims reported on Part 1 are already limited to claims incurred for members eligible for coverage during the MLR reporting year, the changes to claims-related reserves lines should be left blank (answer "Yes").
21.	Signature of Chief Executive Officer/President	<i>Free text</i>	Sign and date.
22.	Signature of Chief Financial Officer	<i>Free text</i>	Sign and date.

Instructions for Completing the Part 1 Summary of Data Tab

Per 42 CFR §438.8(b), MLR reporting year means a period of 12 months consistent with the rating period selected and set by the state per lines 12 and 13 of the MCP and Report Information tab. Information reported in Part 1 should be reported for services covered by the managed care contract with the state during the state-defined MLR reporting year. This includes incurred claims for member dates of service during the MLR reporting year regardless of paid date, and capitation payments paid for members covered during the MLR reporting year, regardless of paid date. Source documentation, such as general ledgers, allocation schedules, etc. should be available upon request to support amounts reported. Expenditures and revenues reported for MLR should be comparable to audited financial statements per 42 CFR §438.8(k)(1)(xi).

Column #	Column Description	Data Format	Instructions
1	Line #	<i>No input by the MCP</i>	This column provides a line number for reference.
2	Line Description	<i>No input by the MCP</i>	This column provides a description of the value to be reported.
3	Policy Reference	<i>No input by the MCP</i>	Applicable policy references are included for convenience.
4 through 18	Medicaid MLR Population Column Labels	<i>No input by the MCP</i>	Report amounts by the state-defined MLR populations in columns 4 through 18.
Line #	Line Description	Data Format	Instructions
1.0	Member months		
1.1	Member months	<i>Whole number</i>	Report member months for members eligible for coverage under the Medicaid managed care contract for the MLR reporting period.
2.0	Premium		
2.1	Total premium revenue	<i>Calculated field</i>	Total direct premium earned: Sum of lines 2.2 through 2.3, lines 2.4 through 2.6, line 2.7 (if applicable), and lines 2.8 through 2.10 Note that incentive payments made to the MCP in accordance with 42 CFR §438.6(b)(2) should not be included in premium revenues.
2.2	State capitation payments	<i>Dollar</i>	Payments the state makes periodically to a contractor on behalf of each beneficiary enrolled under a contract and based on the actuarially sound capitation rate for the provision of services under the state plan. The state makes the payment regardless of whether the particular beneficiary receives services during the period covered by the payment. Report state capitation payments, developed in accordance with 42 CFR §438.4 for all enrollees under a risk contract approved under 42 CFR §438.3(a), excluding payments made under 42 CFR §438.6(d). Exclude premium revenues which are not at risk per the applicable Medicaid managed care contract with the state. State directed payments paid through capitation should be included here.

2.3	Net payments or receipts related to risk sharing mechanisms	<i>Calculated field</i>	<p>Total net payments or receipts related to risk sharing mechanisms: Sum of lines 2.3a through 2.3f</p> <p>Includes premium revenue related to risk sharing mechanisms developed in accordance with 42 CFR §438.5 or 42 CFR §438.6 for each type of risk sharing mechanism specified by the state. Examples include risk corridors, stop-loss, and risk adjustment settlements. Input payments to the state as negative numbers and receipts from the state as positive numbers.</p>
2.3a	[State to customize line description for applicable risk sharing mechanism]	<i>Dollar</i>	[State to customize instructions related to risk sharing mechanism]
2.3b	[State to customize line description for applicable risk sharing mechanism]	<i>Dollar</i>	[State to customize instructions related to risk sharing mechanism]
2.3c	[State to customize line description for applicable risk sharing mechanism]	<i>Dollar</i>	[State to customize instructions related to risk sharing mechanism]
2.3d	[State to customize line description for applicable risk sharing mechanism]	<i>Dollar</i>	[State to customize instructions related to risk sharing mechanism]
2.3e	[State to customize line description for applicable risk sharing mechanism]	<i>Dollar</i>	[State to customize instructions related to risk sharing mechanism]
2.3f	[State to customize line description for applicable risk sharing mechanism]	<i>Dollar</i>	[State to customize instructions related to risk sharing mechanism]
2.4	State-developed one time payments, for specific life events of enrollees	<i>Dollar</i>	One time payments for specific life events of enrollees. For example, Maternity Kick Payments. Exclude amounts reported elsewhere.
2.5	Other withhold payments to the plan approved under 438.6(b)(3) (withhold payments)	<i>Dollar</i>	Capitation withhold amount related to pay-for-performance measures outlined in the contract.
2.6	State directed payments paid under separate payment terms	<i>Calculated field</i>	<p>Total state directed payments paid under separate payment terms: Sum of lines 2.6a through 2.6y</p> <p>Includes state directed payments paid under separate payment terms specified by the state not included in the state capitation payments on line 2.2.</p>
2.6a	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6b	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6c	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6d	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6e	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6f	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6g	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6h	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6i	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6j	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6k	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6l	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6m	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6n	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6o	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6p	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6q	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6r	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6s	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6t	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6u	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]
2.6v	[State to customize line description for applicable state directed payment paid under separate payment terms]	<i>Dollar</i>	[State to customize instructions related to state directed payment]

2.6w	[State to customize line description for applicable state directed payment paid under separate payment terms]	Dollar	[State to customize instructions related to state directed payment]
2.6x	[State to customize line description for applicable state directed payment paid under separate payment terms]	Dollar	[State to customize instructions related to state directed payment]
2.6y	[State to customize line description for applicable state directed payment paid under separate payment terms]	Dollar	[State to customize instructions related to state directed payment]
2.7	Changes to unearned premium	Calculated field	Changes to unearned premium: Line 2.7a - line 2.7b See instructions in the MCP and Report Information section, line 17.
2.7a	Unearned premium MLR reporting year	Dollar	Prior to reporting an amount on this line, see line 17 on the MCP and Report Information tab. Whether an amount should be reported on this line depends on how the capitation revenues on line 2.2 are reported. If applicable, report reserves established to account for the portion of premium paid prior to the previous MLR reporting period that was intended to provide coverage during the previous MLR reporting year.
2.7b	Unearned premium prior year	Dollar	Prior to reporting an amount on this line, see line 17 on the MCP and Report Information tab. Whether an amount should be reported on this line depends on how the capitation revenues on line 2.2 are reported. If applicable, report reserves established to account for the portion of premium paid prior to the MLR reporting period that was intended to provide coverage during the MLR reporting year.
2.8	Net payments or receipts from state-mandated reinsurance	Dollar	If reinsurance is mandated by the state, report net payments or receipts from state-mandated reinsurance.
2.9	Unpaid cost sharing amounts	Dollar	Unpaid cost sharing amounts represent the amount of unpaid member cost sharing dollars where the MCP intentionally waived the provider's responsibility to collect the member pay. Report unpaid cost sharing amounts that could have been collected from enrollees under the contract, except for those for which the MCP can show it made a reasonable, but unsuccessful, effort to collect.
2.10	Pass-through revenues (informational only; already excluded from total premium above)	Dollar	Report other payments approved under 42 CFR §438.6(b)(3).
3.0 Claims			
3.1	Total incurred claims	Calculated field	Total incurred claims: Sum of lines 3.2 through 3.7, plus line 3.8 (if applicable), plus lines 3.12 and 3.13, less lines 3.14 through 3.17, plus line 3.18, less line 3.19
3.2	Direct claims incurred paid through claims adjudication system only during the MLR reporting year, paid through the runout date of the following year, including state directed payments	Dollar	Direct claims are amounts paid to providers whose services and supplies are covered by the state's contract and services meeting the requirements of 42 CFR §438.3(e) based on dates of service. Report amounts paid for covered services through the MCP's claims adjudication system for the MLR period, excluding amounts for delegated vendors/subcontractors and value added services, which are separately reported on lines 3.4 and 3.5, respectively. Amounts reported here should be supported by paid lag triangles. Include state directed payment expense paid through the claims adjudication system for the MLR period.
3.3	Direct claims incurred paid outside claims adjudication system only during the MLR reporting year, paid through the runout date of the following year, including state directed payments	Dollar	Direct claims are amounts paid to providers whose services and supplies are covered by the state's contract with the MCP based on dates of service. Report amounts paid for covered services through mechanisms outside of the MCP's claims adjudication system such as monthly, quarterly, or annual remittances for claims paid, excluding amounts for delegated vendors/subcontractors, and value added services, which are separately reported on lines 3.4 and 3.5, respectively. Amounts reported here are amounts not included in paid lag triangles. Include state directed payment expense paid outside the claims adjudication system for the MLR period.
3.4	Delegated vendor/subcontractor claims incurred paid through the runout date of the following year	Dollar	Report amounts paid by vendors/subcontractors to providers for claims incurred, including amounts paid for prescription drugs, and amounts for pharmaceutical rebates received and accrued. The MCP may only include reimbursement for incurred claims (i.e., the amount the vendor actually pays the medical provider or supplier for providing covered medical services or supplies to enrollees). This should reconcile to the vendor lag tables. Amounts for vendor/subcontractor administrative services or vendor/subcontractor profit should be excluded.
3.5	Value added services	Dollar	Report amounts paid for services not covered under the Medicaid state plan but are voluntarily provided by the MCP and meet the requirements under 42 CFR §438.3(e). Value added services are allowable as incurred claims in the MLR but are excluded from rate setting.
3.6	Unpaid claims liabilities for the MLR reporting year, calculated as of the runout date	Dollar	Calculate an estimate of costs and underlying utilization for claims that have been incurred but not reported (IBNR) or incurred but not paid (IBNP), which would be expected to generate a claim/encounter. Amounts should reflect unpaid claims liabilities for the MLR reporting year, calculated as of the runout date. Unpaid claims liabilities should be based on past claims experience. Exclude amounts for administrative costs, such as margin.
3.7	Incurred but not reported claims modified to reflect current conditions, such as changes in exposure or claim frequency or severity	Dollar	Calculate an estimate of any additional IBNR or IBNP costs, modified to reflect current conditions, such as changes in exposure or claim frequency or severity. Exclude amounts for administrative costs, such as margin.
3.8	Changes to claims-related reserves	Calculated field	Changes to claims-related reserves: Line 3.8a - line 3.8b See instructions in the MCP and Report Information section, line 18.
3.8a	Reserves for claims incurred only during the MLR reporting year, calculated as of the runout date of the following year	Dollar	Prior to reporting an amount on this line, see line 18 on the MCP and Report Information tab. Whether an amount should be reported on this line depends on how incurred claims on lines 3.2 through 3.5 are reported. If applicable, report reserves established to account for the portion of claims incurred in the current MLR reporting year, but not yet paid.
3.8b	Direct claim reserves prior year	Dollar	Prior to reporting an amount on this line, see line 18 on the MCP and Report Information tab. Whether an amount should be reported on this line depends on how incurred claims on lines 3.2 through 3.5 are reported. If applicable, report reserves established to account for the portion of claims incurred in the previous MLR reporting year, but not yet paid at the end of the previous MLR reporting year.

3.9	Prescription drugs (informational only; already included in total incurred claims above)	<i>Dollar - informational only; amount should already be included in appropriate incurred claims lines above</i>	Report amounts paid for prescription drugs. Prescription drugs reported on this line should only include those billed and reimbursed separately through the submission of a National Council for Prescription Drug Programs (NCPDP) Universal Claim Form (UCF). Exclude amounts paid to pharmacy benefit managers (PBMs) and pharmacy benefit administrators (PBAs) for administrative services, any amounts not passed through to the pharmacies by the PBM/PBA for transaction fees or other like fees or spread pricing, and any amounts recouped or clawed back from the pharmacies by the PBM/PBA. Prescription drugs reported on this line should exclude prescription drugs that are paid through a bundled payment methodology, such as a diagnosis-related group (DRG) or similar inpatient hospital payment methodology, as part of the hospital/medical benefits. Amount reported here should be included in line 3.4 for inclusion in incurred claims. Amount reported on this line is informational only.
3.10	Pharmaceutical rebates received and accrued (informational only; already included in total incurred claims above)	<i>Dollar - informational only; amount should already be included in appropriate incurred claims lines above</i>	Report pharmaceutical rebates received and accrued. The amount reported here should reduce the amount in line 3.4 for inclusion in incurred claims. Amount reported on this line is informational only.
3.11	Pharmacy performance guarantee settlements between the pharmacy benefit manager or pharmacy benefit administrator and the pharmacies (informational only; already included in total incurred claims above)	<i>Dollar - informational only; amount should already be included in appropriate incurred claims lines above</i>	Report pharmacy performance guarantee settlements associated with agreements between the PBM/PBA and the pharmacies. These settlements are typically based on the contracts between the PBM/PBA and the pharmacy and result in either additional prescription drug payouts to pharmacies or recoupments of pharmacy overpayments by the PBM/PBA. Amount reported here should be included in line 3.4 for inclusion in incurred claims. Amount reported on this line is informational only.
3.12	Incurred medical incentive pool and bonuses	<i>Calculated field</i>	Incurred medical incentive pool and bonuses: Line 3.12a + line 3.12b
3.12a	Paid medical incentive pools and bonuses for the MLR reporting year	<i>Dollar</i>	Report paid medical incentive pools and bonuses for the MLR reporting year for incentive payments tied to clearly-defined, objectively measurable, and well-documented clinical or quality improvement standards that apply to providers receiving payments. Exclude payments to vendors or providers for services qualifying as health care quality improvement activities (QIA) under 45 CFR §158.150(b). Amounts qualifying as QIA should be reported in section 5 of Part 1.
3.12b	Accrued medical incentive pools and bonuses for the MLR reporting year	<i>Dollar</i>	Report accrued but not paid medical incentive pools and bonuses for the MLR reporting year for incentive payments tied to clearly-defined, objectively measurable, and well-documented clinical or quality improvement standards that apply to providers receiving payments. Exclude payments to vendors or providers for services qualifying as QIA under 45 CFR §158.150(b). Amounts qualifying as QIA should be reported in section 5 of Part 1.
3.13	Medical portion of contingent benefit and lawsuit reserves	<i>Dollar</i>	Report reserves for contingent benefits and the medical claim portion of lawsuits. Exclude non-medical claim portion and portion for other lines of business.
3.14	Provider overpayment recoveries (enter as positive)	<i>Dollar</i>	Report overpayment recoveries received from network providers incurred for the MLR reporting period. Enter amount as positive. Amounts are a reduction to incurred claims and should reflect recovered overpayments to providers not captured in a paid lag triangle.
3.15	Third party liability, coordination of benefits (COB), subrogation recoveries and recoverable COB claims (enter as positive)	<i>Dollar</i>	Report third party liability, coordination of benefits, subrogation recoveries, and recoverable coordination of benefits (COB) claims incurred for the MLR reporting period. Enter amount as positive. Amounts are a reduction to incurred claims and should include any claim-related recoveries not captured in a paid lag triangle.
3.16	Withholds from payments made to network providers (enter as positive)	<i>Dollar</i>	Report withholds from payments made to network providers. Enter amount as positive. Amounts are a reduction to incurred claims.
3.17	Net payments or receipts related to state mandated solvency funds	<i>Dollar</i>	Report net payments or receipts related to state mandated solvency funds.
3.18	Allowable claims recovered through fraud reduction efforts	<i>Calculated field</i>	Allowable claims recovered through fraud reduction efforts: If line 3.18b is greater than zero, the lesser of lines 3.18a and 3.18b
3.18a	Total fraud reduction expense	<i>Dollar</i>	Report the amount of fraud reduction expenses excluding expenditures on activities related to fraud reduction. Fraud reduction activities are incurred subsequent to the payment of a claim to specifically identify and detect fraudulent claims for recoupment. All other post-payment claim review activities ensuring proper claim payment performed by the plan as part of the program integrity duties are considered administrative expenses. Amounts reported here must not include expenditures for activities related to fraud prevention as adopted for the private market at 45 CFR part 158.
3.18b	Total fraud recoveries that reduced paid claims in Line 3.1	<i>Dollar</i>	Report the amount of claims payments recovered through fraud reduction efforts, not to exceed the amount of fraud reduction expenses.
3.19	Other adjustments due to MLR calculations – claims incurred	<i>Dollar</i>	Any amounts excluded from claims for MLR calculation purposes that are normally included in claims for financial statement purposes. Provide a description of the types of expenses included on this line with template submission.
4.0	Federal and State Taxes and Licensing or Regulatory Fees		
4.1	Total federal and state taxes and licensing or regulatory fees	<i>Calculated field</i>	Total federal and state taxes and licensing or regulatory fees incurred: If not federal tax exempt, Line 4.2 + line 4.3 + line 4.5 If federal tax exempt, Line 4.3 + line 4.4 + line 4.5
4.2	Federal taxes and assessments incurred by the reporting MCP during the MLR reporting year	<i>Calculated field</i>	Federal taxes and assessments incurred: Line 4.2a + line 4.2b Federal taxes reported in this section should exclude federal income taxes on investment income and capital gains and federal employment taxes. Amounts should be reported consistently year over year, using the same methodology (GAAP or Statutory Accounting Principles [SAP]). If the MCP/parent company changes the methodology across all lines of business, an explanation should be provided for the basis for the change at Pt 2 Allocation Methodologies. Note that the change in deferred taxes is treated differently between GAAP and SAP reporting. If using SAP financial statements to report taxes, ensure the tax calculation used to allocate taxes to the MCP's Medicaid line of business incorporates the impact of the change in deferred taxes. The only federal employment taxes allowed for MLR reporting are the portion included in the salaries and benefits of employees performing qualifying QIA activities (see section 5). All other federal employment taxes are non-claims costs.

4.2a	Federal income taxes deductible from premium in MLR calculations	Dollar	Report federal income taxes allocated to the MCP, excluding federal employment taxes.
4.2b	Other federal taxes and assessments deductible from premium	Dollar	Report other federal taxes and assessments allocated to the MCP that are deductible from premium. This excludes federal employment taxes and taxes qualifying as non-claims (see section 6).
4.3	State insurance, premium and other taxes incurred by the reporting MCP during the MLR reporting year (deductible from premium in MLR calculation)	Calculated field	<p>State taxes and assessments incurred: Line 4.3a + line 4.3b</p> <p>State taxes reported in this section should exclude state income taxes on investment income and capital gains and state employment taxes. Amounts should be reported consistently year over year, using the same methodology (GAAP or SAP). If the MCP/parent company changes the methodology across all lines of business, an explanation should be provided for the basis for the change at Pt 2 Allocation Methodologies.</p> <p>The only state employment taxes allowed for MLR reporting are the portion included in the salaries and benefits of employees performing qualifying QIA activities (see section 5). All other state employment taxes are non-claims costs.</p>
4.3a	State income, excise, business, and other taxes	Dollar	<p>Report state and local taxes and assessments including:</p> <p>(A) Any industry-wide (or subset) assessments (other than surcharges on specific claims) paid to the state or locality directly.</p> <p>(B) Guaranty fund assessments.</p> <p>(C) Assessments of state or locality industrial boards or other boards for operating expenses or for benefits to sick employed persons in connection with disability benefit laws or similar taxes levied by states.</p> <p>(D) State or locality income, excise, and business taxes other than premium taxes and state employment and similar taxes and assessments.</p>
4.3b	State premium taxes	Dollar	If applicable, report state or locality premium taxes plus state or locality taxes based on reserves, if in lieu of premium taxes.
4.4	Community benefit expenditures deductible from premium in MLR calculations (only applicable to entities exempt from federal taxes)	Dollar	<p>Community benefit expenditures can only be included in the MLR for entities that are exempt from federal taxes.</p> <p>Report payments made by the company for community benefit expenditures as defined in 45 CFR §158.162(c), limited to the higher of either:</p> <p>(A) Three percent of earned premium; or</p> <p>(B) The highest premium tax rate in the state for which the MLR report is being submitted, multiplied by the MCP's earned premium in the state.</p>
4.5	Other federal and state regulatory authority licenses and fees	Dollar	<p>Report other applicable federal and state regulatory authority licenses and fees, not reported in lines 4.2 through 4.3.</p> <p>(A) Statutory assessments to defray the operating expenses of any state or federal department;</p> <p>(B) Examination fees in lieu of premium taxes as specified by state law.</p>
5.0	Health Care Quality Improvement Activities (QIA) Expenses Incurred		
5.1	Total allowable quality improvement expenses	Calculated field	Total allowable quality improvement expenses: Line 5.2 + line 5.3 + line 5.4
5.2	Expenditures for activities that improve health care quality	Calculated field	<p>Total expenditures for activities that improve health care quality (QIA): Sum of Lines 5.2a through 5.2d</p> <p>Under 42 CFR §438.8(e)(3) QIA expenditures must only include activities that improve health care quality. Examples of administrative expenses unallowable as QIA include office space (including rent or depreciation, facility maintenance, janitorial, utilities, property taxes, insurance, wall art), human resources, salaries of counsel and executives, equipment, computer and telephone usage, travel and entertainment, company parties and retreats, IT infrastructure and systems, and software licenses. See 45 CFR §158.150(c) for other exclusions from QIA cost.</p> <p>Per 45 CFR §158.150, salaries and benefits of employees performing qualifying QIA activities must be apportioned based on the amount of the employees' time spent performing qualifying QIA on behalf of state Medicaid beneficiaries to total time worked. See 45 CFR §158.150(c) for exclusions from QIA cost. Reported salaries and benefits expenses should be allocated using a reasonable allocation methodology, such as a time study, employee time reports, or other auditable records that provide sufficient data to determine the amount of time employees spend performing qualifying QIA activities. Additionally, if the activities benefit multiple lines of business, a reasonable allocation methodology should be utilized to allocate the qualifying QIA salaries and benefits expense to the Medicaid line of business. The allocation methodology utilized should be the one that is expected to yield the most accurate allocation.</p> <p>Vendor costs for QIA must be reported at the cost of the vendor providing services. They are limited to the same costs that could be claimed by the MCP should the MCP have performed the activities. The commentary from 45 CFR §158.150 states "Where an issuer performs its own QIA without engaging a vendor, any "profit" that it makes on such QIA cannot be included in the MLR calculation. Accordingly, where an issuer chooses to outsource its QIA to a third party, rather than developing the necessary skills in-house, as it does for other issuer functions such as claims processing, network development, clinical policies, and case and utilization management, for example, for MLR reporting and rebate purposes that vendor stands in the shoes of the issuer. Consequently, the vendor's indirect costs, as well as any profit, cannot be reported as a QIA expense that is included in the MLR calculation."</p> <p>Other direct expenses for items or services that primarily or exclusively support QIA as opposed to regular business or other functions are likely to constitute direct expenses that are appropriately included in QIA expense.</p> <p>Expenses which otherwise meet the definition of QIA but which were paid for with grant money or funding separate from premium revenue shall NOT be included in QIA expenses.</p>
5.2a	Improve health outcomes	Dollar	Report the Medicaid managed care portion of qualifying QIA expenses for activities designed to improve health outcomes. Include the apportioned salaries and benefits costs incurred by vendors and/or providers to which the QIA activities have been outsourced.
5.2b	Activities to prevent hospital readmission	Dollar	Report the Medicaid managed care portion of qualifying QIA expenses for activities designed to prevent hospital readmission. Include the apportioned salaries and benefits costs incurred by vendors and/or providers to which the QIA activities have been outsourced.

5.2c	Improve patient safety and reduce medical errors	Dollar	Report the Medicaid managed care portion of qualifying QIA expenses for activities designed to improve patient safety and reduce medical errors. Include the apportioned salaries and benefits costs incurred by vendors and/or providers to which the QIA activities have been outsourced.
5.2d	Wellness and health promotion activities	Dollar	Report the Medicaid managed care portion of qualifying QIA expenses for activities designed to promote health and wellness. Include the apportioned salaries and benefits costs incurred by vendors and/or providers to which the QIA activities have been outsourced.
5.3	Health information technology expenses related to improving health care quality	Dollar	<p>45 CFR §158.151 allows health information technology (HIT) expenses to be included to the extent expenses are required to accomplish the activities allowed as QIA expense. In order to qualify as an allowed HIT expense, the expense must, in whole or in part, contribute to improving the quality of care, provide the technological infrastructure to enhance current quality improvement, or make new quality improvement initiatives possible. Report the portion of expenses incurred for the Medicaid managed care line of business for qualifying HIT per 45 §CFR 158.151.</p> <p>General use software does not qualify as HIT. Specifically, allocations of dual functioning systems that serve primarily for functions outside of QIA. Unless the software is primarily related to QIA activities, it cannot be included. The commentary from the rule states "We affirm and clarify that HIT expenses that meet the applicable requirements in 45 CFR §158.150 and §158.151 are permissible costs that can be included as QIA expenses. For example, the cost of software designed and used primarily for QIA purposes, such as HEDIS reporting, constitutes a direct expense related to activities that improve health care quality and can be included in QIA expenses for MLR reporting and rebate purposes. In contrast, as explained above and in the proposed rule, the costs of IT infrastructure that primarily supports regular business functions such as billing, enrollment, claims processing, financial analysis, and cost containment, even when the same IT infrastructure also happens to support QIA activities in addition to regular business functions, do not constitute a direct expense related to activities that improve health care quality and cannot be included in QIA expenses for MLR reporting and rebate purposes."</p>
5.4	External quality review (EQR) expenses related to improving health care quality	Dollar	Report the portion of expenses incurred for the Medicaid managed care line of business for qualifying EQR-related activities as described in 42 CFR §438.358(b) and (c).
6.0 Non-Claims Costs			
6.1	Total non-claims costs	Calculated field	<p>Total non-claims costs: Sum of lines 6.1a through 6.2</p> <p>Non-claims costs are defined as those expenses for administrative services, such as cost containment, that are not incurred claims as defined in 42 CFR §438.8(e)(2), expenditures on QIA, as defined in 42 CFR §438.8(e)(3), or licensing and regulatory fees, or federal and state taxes, as defined in 42 CFR §438.8(f)(3). Non-claims costs include all costs for the Medicaid line of business that do not qualify as incurred claims, expenditures on QIA, licensing and regulatory fees, or federal and state taxes as described above. The sum of incurred claims, expenditures on activities to improve health care quality, licensing and regulatory fees, federal and state taxes, and non-claims costs should be comparable to the company financial statements for the Medicaid and/or CHIP line of business.</p> <p>Examples of non-claims costs include, but are not limited to, cost-containment expenses not included as an expenditure related to an activity at 45 CFR §158.150; loss adjustment expenses not classified as cost containment expense; direct sales salaries, workforce salaries and benefits; agents and brokers fees and commissions; general and administrative expenses; community benefit expenditures for MCPs subject to income taxes; prescription drug rebates and other price concessions that are received and retained by an entity providing pharmacy benefit management services to the issuer and are associated with administering the issuer's prescription drug benefits; and amounts paid, including amounts paid to a provider or pharmacy, for professional or administrative services that do not represent compensation or reimbursement for covered services to an enrollee, such as medical records copying costs, attorneys' fees, subrogation vendor fees, bona fide service fees, compensation for paraprofessionals, janitors, quality assurance analysts, administrative supervisors, secretaries to medical personnel, and medical record clerks.</p>
6.1a	Amounts paid to vendors for secondary network savings	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1b	Amounts paid to vendors or providers for network development, administrative fees, claims processing, and utilization management	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1c	Amounts paid, including amounts paid to a provider, for professional or administrative services that do not represent compensation or reimbursement for covered services provided to an enrollee	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1d	Cost containment expenses not included in lines 6.1a through 6.1c	Dollar	<p>Report expenses that serve to actually reduce the number of health services provided or the cost of such services. This category can include costs only if they result in reduced costs or services such as:</p> <ul style="list-style-type: none"> • Post- and concurrent- claim case management activities associated with past or ongoing care • Pre-service utilization review • Detection and prevention of payment for fraudulent requests for reimbursement (including amounts reported in line 3.18a) • Expenses for internal and external appeals <p>Exclude: Cost-containment expenses that improve the quality of health care reported as QIA expense in line 5.2 through 5.4.</p>
6.1e	All other claims adjustment expenses	Dollar	Report other claims adjustment expenses not included in lines 6.1a through 6.1d.
6.1f	Pharmacy benefit manager/pharmacy benefit administrator expenses not allowable as incurred claims	Dollar	Costs paid to the PBM/PBA for administrative functions cannot be included as incurred claims. Administrative costs include any difference between the amount the MCP pays the PBM/PBA and the amount the PBM/PBA pays to its pharmacies, which includes spread pricing, transaction fees, network fees, claw-backs, and settlements for performance guarantee arrangements between the health plan and the PBM/PBA. Prescription drug rebates received and accrued must be deducted from incurred claims regardless of the source of the rebate, and who retains the rebate (the MCP or the third-party vendor). Amounts for prescription drug rebates retained by the PBM/PBA can be included in non-claims costs. Report non-claims PBM/PBA expenses for the MLR period based on financial statements.
6.1g	Salaries and benefits (excluding amounts reported in QIA expenses)	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1h	Depreciation	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1i	Fees, such as bank service charges	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.

6.1j	Insurance	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1k	Interest expense	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1l	Office supplies and equipment	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1m	Professional and outside services	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1n	Repairs and maintenance	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1o	Travel	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1p	Indirect expense for health care quality improvement	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements.
6.1q	Lobbying expenses [Exclude from administrative load for capitation rate setting]	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements. This item should be excluded from the administrative load for capitation rate setting.
6.1r	Marketing, advertising, and public relations expenses [Exclude from administrative load for capitation rate setting]	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements. This item should be excluded from the administrative load for capitation rate setting.
6.1s	Entertainment and alcoholic beverages [Exclude from administrative load for capitation rate setting]	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements. This item should be excluded from the administrative load for capitation rate setting.
6.1t	Contributions and donations [Exclude from administrative load for capitation rate setting]	Dollar	Report expenses per the line description applicable to the expense incurred for the MLR reporting period based on financial statements. This item should be excluded from the administrative load for capitation rate setting.
6.1u	[State to customize line description for applicable state-specified non-claims cost]	Dollar	[State to customize instructions related to non-claims cost]
6.1v	[State to customize line description for applicable state-specified non-claims cost]	Dollar	[State to customize instructions related to non-claims cost]
6.1w	[State to customize line description for applicable state-specified non-claims cost]	Dollar	[State to customize instructions related to non-claims cost]
6.1x	[State to customize line description for applicable state-specified non-claims cost]	Dollar	[State to customize instructions related to non-claims cost]
6.1y	[State to customize line description for applicable state-specified non-claims cost]	Dollar	[State to customize instructions related to non-claims cost]
6.1z	[State to customize line description for applicable state-specified non-claims cost]	Dollar	[State to customize instructions related to non-claims cost]
6.1aa	All other administrative expense	Dollar	Report all other administrative expense for the Medicaid line of business that is not incurred claims, health care QIA expense, licensing and regulatory fees, or federal and state taxes and not included in another non-claims cost category.
6.2	Other taxes	Calculated field	Other taxes: Sum of lines 6.2a through 6.2c
6.2a	Taxes and assessments (exclude amounts reported in section 4)	Dollar	Include taxes and assessments not allowable for MLR reporting purposes. Examples include income tax on investment income and capital gains.
6.2b	Fines and penalties of regulatory authorities	Dollar	Include fines and penalties expense incurred for the MLR reporting period.
6.2c	Federal and state employment taxes and assessments (excluding amounts reported in QIA expenses)	Dollar	Include any federal and state employment taxes and assessments not included in the QIA expenses in section 5.
7.0 Medical Loss Ratio (MLR) Summary Mapping for Medicaid Data Collection Tool - Managed Care Reporting (MDCT-MCR)			
7.1	Incurred Claims [MDCT-MCR line 1.1]	Calculated field	Formulaic field linked to Part 1, line 3.1.
7.2	Health care quality improvement [MDCT-MCR line 1.2]	Calculated field	Formulaic field linked to Part 1, line 5.1.
7.3	MLR numerator [MDCT-MCR line 1.3]	Calculated field	MLR Numerator: Line 7.1 + line 7.2
7.4	Non-claims costs [MDCT-MCR line 1.4]	Calculated field	Formulaic field linked to Part 1, line 6.1.
7.5	Premium revenue [MDCT-MCR line 2.1]	Calculated field	Formulaic field linked to Part 1, line 2.1.
7.6	Federal and state taxes and licensing or regulatory fees [MDCT-MCR line 2.2]	Calculated field	Formulaic field linked to Part 1, line 4.1.
7.7	MLR denominator [MDCT-MCR line 2.3]	Calculated field	MLR Denominator: Line 7.5 - line 7.6
7.8	Member months [MDCT-MCR line 3.1]	Calculated field	Formulaic field linked to Part 1, line 1.1.
7.9	Unadjusted MLR [MDCT-MCR line 3.2]	Calculated field	Unadjusted MLR: Line 7.3 / line 7.7
7.10	Credibility adjustment [MDCT-MCR line 3.3]	Calculated field	Calculated field based on tables in Reference Tables tab. Credibility adjustment differs for MLTSS-only plans. To ensure proper credibility adjustment is applied, complete the MLTSS-only input field on the MCP and Report Information tab (line 11).
7.11	Adjusted MLR [MDCT-MCR line 3.4]	Calculated field	Adjusted MLR: Line 7.9 + line 7.10
7.12	Remittance dollar amount owed for MLR reporting period [MDCT-MCR line 4.6.1]	Calculated field using state-determined remittance formula	Remittance dollar amount owed for MLR reporting period as defined by the state Medicaid managed care contract for the MLR reporting period.

Instructions for Completing the Part 2 Allocation Methodologies Tab

42 CFR §438.8(k)(1)(vii) requires the state to collect the MCP's methodologies for allocations of expenses, which must include incurred claims, quality improvement expenses, federal and state taxes and licensing or regulatory fees, and other non-claims costs, as described in 45 CFR §158.170(b). The allocation methodologies should describe the types of expenses allocated, how the expenses met the criteria for inclusion in the MLR, and the method(s) used to allocate the expenses across states and markets. Part 2 is designed to collect data on allocation methodologies for expenditures that are often allocated among states and/or lines of business, including incurred claims, quality improvement expenses, taxes, licensing or regulatory fees, and non-claims costs. Per 42 CFR §438.8(g)(2)(i), allocation methodologies must be based on a generally accepted accounting method that is expected to yield the most accurate results. With that in mind, it is expected that allocation methodologies remain consistent year over year and across markets unless an operational or accounting methodology change by the company requires a change to the allocation statistic utilized.

Instructions on the Part 2 Allocation Methodologies tab are provided by column, below.

Column #	Column Name	Data Format	Instructions
1	Line #	No input by the MCP	This column provides a line number for reference.
2	Type of Expense	No input by the MCP except for cells with "[Describe expense]"; Editable cells: Free text (32,767 character limit)	The types of expense for which the MCP should provide a description of allocation methodologies are listed in this column. The MCP has flexibility to define additional expense types using lines with the description "[Describe expense]".
3	Expense Methodology, Including Statistical Basis, Current Year	Free text (32,767 character limit)	Describe the expense allocation methodology, including the statistical basis, used in the current year. If multiple methods of allocation are used for a single expense type, describe all methods used.
4	Consistent with Prior Year?	Set values (drop down)	Select from the drop down whether the expense methodology(ies) used in the current year is(are) consistent with the methodology(ies) used by the MCP in the prior year.
5	Consistent with Other Markets?	Set values (drop down)	Select from the drop down whether the expense methodology(ies) used in the current year is(are) consistent with the methodology(ies) used by the MCP's parent company in other markets.
6	Comments, including: Justification for Change in Methodology from Prior Year and/or Inconsistency in Methodology with Other Markets, if applicable	Free text (32,767 character limit)	Include applicable comments to further explain or clarify reported methodologies. For all "No" or "N/A" responses in the "Consistent with Prior Year" and/or "Consistent with Other Markets" columns, explain why the current year allocation methodology provides a more reasonable expense allocation than the prior year methodology/methodology in other markets, including any changes in operations that prompted the expense allocation methodology change.

Instructions for Completing the Part 3 Financial Statements Tab

42 CFR §438.8(k)(1)(xi) requires the state to collect a comparison of the information reported on the MLR with the MCP's audited financial statements. The purpose of Part 3 is to collect financial statement information that will be used on Part 3.1 to reconcile the MLR amounts from Part 1 to the financial statements. In many cases, annual MCP financial statement reporting periods do not align with the state's MLR reporting period. Part 3 therefore allows two financial statement periods to be reported so they can be pro-rated to the state MLR reporting period.

Instructions on the Part 3 Financial Statements tab are provided by column, below.

Column #	Column Name	Data Format	Instructions
1	Line #	No input by the MCP	This column provides a line number for reference.
2	Financial Statement Line Description	Free text (32,767 character limit)	This column provides a line description for pre-defined lines. This column also allows user input in cells with bracketed text "[Enter financial statement line description]". Input applicable financial statement line descriptions by financial statement category, ensuring that all lines necessary to trace reported financial statement amounts to the supporting financial statement records are provided.
3	Financial Statements Period 1	Numeric	<p>If the MCP's financial statement period aligns with the MLR reporting period, input the financial statement amounts for the financial statements covering the MLR reporting period. Input 100% in this column on line 1. Pro-Ration of Financial Statements.</p> <p>If the MCP's financial period does not align with the MLR reporting period, the MCP will need to provide values from each of the overlapping financial statement periods so the financial statements can be pro-rated to the MLR reporting period. Input amounts from the earlier of the two overlapping financial statement periods. Report the full amount per the financial statements, as column 5 will pro-rate the total financial statement amounts to the MLR period using the pro-ration percentages in line 1. On line 1, enter a proportion that represents the portion of months of the financial statements that overlaps the MLR period. For example, if the MLR period is from July through June and the financial statements are from January through December, enter 0.5, for 6 overlapping months out of 12 total months in the MLR period.</p> <p>At the bottom of the Part 3 tab, lines 8 through 8.9 include net income check figures. This section is intended to help the state and/or the MCP ensure the correct revenue and expense amounts have been entered into lines 1 through 7.11 by providing various net income calculations that can be compared to the financial statement net income values. After entering the relevant data, review the variances on lines 8.3, 8.6, and 8.9. Resolve any errors in the amounts entered in the schedule above and/or explain in the Comments column why the variances are expected.</p>
4	Financial Statements Period 2	Numeric	<p>If the MCP's financial statement period aligns with the MLR reporting period, this column is not applicable, and should be left blank.</p> <p>If the MCP's financial period does not align with the MLR reporting period, input amounts from the later of the two overlapping financial statement periods. Report the full amount per the financial statements, as column 5 will pro-rate the total financial statement amounts to the MLR period using the pro-ration percentages in line 1. On line 1, the proportion will automatically calculate by subtracting the proportion entered on line 1, column 3 from 100 percent.</p> <p>At the bottom of the Part 3 tab, lines 8 through 8.9 include net income check figures. This section is intended to help the state and/or the MCP ensure the correct revenue and expense amounts have been entered into lines 1 through 7.11 by providing various net income calculations that can be compared to the financial statement net income values. After entering the relevant data, review the variances on lines 8.3, 8.6, and 8.9. Resolve any errors in the amounts entered in the schedule above and/or explain in the Comments column why the variances are expected.</p>
5	Pro-Rated Financial Statements - Flows to Part 3.1, column 4	Calculated field	This column does not allow user input, but pro-rates the amounts input in each financial statement column using the pro-ration percentages entered on line 1. Pro-Ration of Financial Statements.
6	Financial Statement Item Reported on MLR	Set values (drop down)	Select from the drop down whether the financial statement line item reported on this schedule is included in the MLR either in part or in whole. This is requested to help readers of the template to understand differences between financial statement reporting and MLR reporting.

7	Comments	Free text (32,767 character limit)	Include applicable comments to explain information deemed relevant by the MCP to assist readers of the template with understanding reported amounts, and comparing financial statement records to amounts reported on the template.
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Instructions for Completing the Part 3.1 Compare to Financials Tab

42 CFR §438.8(k)(1)(xi) requires the state to collect a comparison of the information reported on the MLR with the audited financial statements. The purpose of Part 3.1 Compare to Financials is to ensure that MLR reporting on Part 1 reconciles to the MCP's Medicaid and/or CHIP line of business financial statements. The state has defined a threshold of acceptable variances between financial statement and MLR reporting. The MCP should provide a detailed reconciliation of the pro-rated (if applicable) financial statements as reported on Part 3 to the MLR amounts calculated based on the company's inputs on Part 1. The reconciliations should provide sufficient information to reduce variances between MLR and financial statement amounts to the tolerable threshold set by the state agency. If financial statements cannot be reconciled within the tolerable variance, a detailed explanation should be provided. The MCP's financial statements must be specific to the Medicaid and/or CHIP line of business.

Instructions on the Part 3.1 Compare to Financial tab are provided by column, below.

Column #	Column Name	Data Format	Instructions
1	Line #	No input by the MCP	This column provides a line number for reference.
2	MLR Reporting Category	No input by the MCP except for cells with "[Describe reconciling item]"; Editable cells: Free text (32,767 character limit)	This column includes MLR reporting lines from section 7 of Part 1. This column allows user input in cells with bracketed text "[Describe reconciling item]". Input applicable reconciling line descriptions by MLR reporting category.
3	Amount per MLR	No input by the MCP	This column does not allow user input. The amounts populated in this column are based on user input from Part 1.
4	Financial Statements	Numeric	Financial statement amounts, with the exception of QIA, pre-populate from the information input into Part 3. The amounts reference the pro-rated column. If QIA can be isolated from the financial statement reporting, amounts can be entered or linked to Part 3 for reconciliation purposes. Enter applicable reconciling items in this column to identify differences between amounts included in the financial statements and amounts included in the MLR. Use section 7 of Part 3.1 to reconcile total expenses from the financial statements in Part 3, including incurred claims, non-claims, and taxes, to total expenses from the MLR, including total incurred claims, QIA, non-claims, and taxes.
5	MLR Above/(Below) Financial Statements	Calculated field	This column does not allow user input. The column subtracts the total financial statement amount, considering all entered reconciling items, from the total MLR amount derived from Part 1.
6	% Difference Above/(Below) Financial Statements	Calculated field	This column does not allow user input. The column divides the total difference calculated in the "MLR Above/(Below) Financial Statements" column by the total financial statement amount by MLR category to determine a percentage variance.
7	Explanation for Variances Exceeding 0%	Free text (32,767 character limit)	For variances exceeding the state-defined variance threshold, provide a detailed explanation for the variance.

MCP and MLR Report Information

Line #	Item	Response
1.	Report Date:	
2.	MCP Name:	
3.	Business in the State of:	
4.	Domiciliary State:	
5.	Address:	
6.	Preparer Name:	
7.	Preparer Title:	
8.	Preparer Phone Number:	
9.	Preparer E-mail Address:	
10.	Federal Tax Exempt:	
11.	Managed Long-Term Services and Supports Only:	
12.	MLR Reporting Year Begin:	
13.	MLR Reporting Year End:	
14.	Runout Date:	
15.	Financial Statement Variance Threshold:	
16.	Credibility and MLR Calculation:	

Line # Reporting Methodologies:

17. Are the premium revenues reported on Part 1 limited to premium revenues for members eligible for covered benefits for the MLR reporting year above? In other words, do the premium revenues reported on Part 1 exclude the impact of unearned premium revenues for members eligible for covered benefits for dates outside of the MLR reporting year above?
- Please report applicable amounts for change in reserves on lines 2.7 through 2.7b.*
18. Are the incurred claims reported on Part 1, lines 3.2 through 3.5, limited to claims incurred for members eligible for covered benefits for the MLR reporting year above? In other words, do the incurred claims reported on Part 1 exclude the impact of prior year accruals for claims incurred for members eligible for covered benefits for dates outside of the MLR reporting year above?
- Please report applicable amounts for change in reserves on lines 3.8 through 3.8b.*

Attestation

19. **Regulations at 42 CFR §438.8(n) require plans to attest to the accuracy of their MLR calculations when submitting their MLR reports to states as required under 42 §CFR 438.8(k).**
20. **EXAMPLE:** Consistent with 42 CFR §438.8(n), the officers of this reporting issuer being duly sworn, each attest that he/she is the described officer of the reporting issuer, and that this MLR Report, the Company/Issuer Associations, and any supplemental submission that the issuer includes are full and true statements of all the elements included therein for the MLR reporting year, and that the MLR Report has been completed in accordance with 42 CFR §438.8, the Medicaid managed care contract, and the State's reporting instructions, according to the best of his/her information, knowledge and belief.
21. _____
Chief Executive Officer/President Date _____
22. _____
Chief Financial Officer Date _____

Part 1 Summary of Data

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Line #	Line Description	Regulatory Definitions	[MEDICAID PROGRAM AND/OR POPULATION 1]	[MEDICAID PROGRAM AND/OR POPULATION 2]	[MEDICAID PROGRAM AND/OR POPULATION 3]	[MEDICAID PROGRAM AND/OR POPULATION 4]	[MEDICAID PROGRAM AND/OR POPULATION 5]	[MEDICAID PROGRAM AND/OR POPULATION 6]	[MEDICAID PROGRAM AND/OR POPULATION 7]	[MEDICAID PROGRAM AND/OR POPULATION 8]	[MEDICAID PROGRAM AND/OR POPULATION 9]	[MEDICAID PROGRAM AND/OR POPULATION 10]	[MEDICAID PROGRAM AND/OR POPULATION 11]	[MEDICAID PROGRAM AND/OR POPULATION 12]	[MEDICAID PROGRAM AND/OR POPULATION 13]	[MEDICAID PROGRAM AND/OR POPULATION 14]	[MEDICAID PROGRAM AND/OR POPULATION 15]	Grand Total as of 10/1/900
1.0	Member months	42 CFR §438.8(b)																
1.1	Member months																	
2.0	Premium																	
2.1	Total premium revenue	42 CFR §438.8(f)(2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.2	State capitation payments	42 CFR §438.8(f)(2)(ii)																
2.3	Net payments or receipts related to risk sharing mechanisms	42 CFR §438.8(f)(2)(vi)	\$0	\$0				\$0		\$0		\$0		\$0		\$0		\$0
2.3a	State to customize line description for applicable risk sharing mechanism																	
2.3b	State to customize line description for applicable risk sharing mechanism																	
2.3c	State to customize line description for applicable risk sharing mechanism																	
2.3d	State to customize line description for applicable risk sharing mechanism																	
2.3e	State to customize line description for applicable risk sharing mechanism																	
2.3f	State to customize line description for applicable risk sharing mechanism																	
2.3g	State to customize line description for applicable risk sharing mechanism																	
2.4	State developed one time payments for specific line events or enrollments	42 CFR §438.8(f)(2)(iii)																
2.5	Other without payments to the state (received under 438.8(f)(3)(i) without payments)	42 CFR §438.8(f)(2)(iv)																
2.6	State directed payments paid under separate payment terms	42 CFR §438.8(f)(2)(v)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
2.6a	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6b	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6c	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6d	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6e	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6f	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6g	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6h	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6i	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6j	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6k	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6l	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6m	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6n	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6o	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6p	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6q	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6r	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6s	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6t	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6u	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6v	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6w	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6x	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6y	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.6z	State to customize line description for applicable state directed payment paid under separate payment terms																	
2.7	Changes to unearned premium	42 CFR §438.8(f)(2)(vii)	\$0	\$0			\$0		\$0		\$0		\$0		\$0		\$0	
2.7a	Identified premium MLR reporting year																	
2.7b	Unearned premium other year																	
2.8	Net payments or receipts from state-mandated insurance	42 CFR §438.8(f)(2)(viii)																
2.9	Unpaid cost sharing amounts	42 CFR §438.8(f)(2)(ix)																
2.10	Pass-through revenues (informational only, already included from total premium above)	42 CFR §438.8(f)(2)(x)																
3.0	Claims																	
3.1	Total incurred claims	42 CFR §438.8(c)(2)	\$0	\$0			\$0		\$0		\$0		\$0		\$0		\$0	
3.2	Direct claims incurred paid through claims adjudication system only during the MLR reporting year, paid through the runoff date of the following year, including state directed payments	42 CFR §438.8(e)(2)(i)(A) and (ii)(C)																
3.3	Direct claims incurred paid outside claims adjudication system only during the MLR reporting year, paid through the runoff date of the following year, including state directed payments	42 CFR §438.8(e)(2)(i)(A) and (ii)(C)																
3.4	Designated vendor/subcontractor claims incurred paid through the runoff date of the following year	42 CFR §438.8(e)(2)(i)(A); CB: MLR Requirements Related to Third Party Vendors dated May 15, 2019																
3.5	Value added services	42 CFR §438.8(e)(2)(ii)(A); 42 CFR §438.8(e)(2)(ii)(A)																
3.6	Unpaid claims liabilities for the MLR reporting year, calculated as of the runoff date	42 CFR §438.8(e)(2)(ii)(B)																
3.7	Incurred but not reported claims modified to reflect current conditions, such as changes in exposure or claim frequency or severity	42 CFR §438.8(e)(2)(ii)(F)																
3.8	Changes to claims-related reserves	42 CFR §438.8(e)(2)(iii)(i)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
3.8a	Reserves for claims incurred only during the MLR reporting year, calculated as of the runoff date of the following year																	
3.8b	Direct claim reserves only year																	
3.9	Prescription drugs (informational only, already included in total incurred claims above)	42 CFR §438.8(e)(2)(iv)(A); CB: MLR Requirements Related to Third Party Vendors dated May 15, 2019																
3.10	Pharmaceutical rebates received and accrued (informational only, already included in total incurred claims above)	42 CFR §438.8(e)(2)(iv)(B); CB: MLR Requirements Related to Third Party Vendors dated May 15, 2019																
3.11	Pharmacy performance guarantee settlements between the pharmacy benefit manager or pharmacy benefit administrator and the pharmacies (informational only, already included in total incurred claims above)	42 CFR §438.8(e)(2)(iv)(B); CB: MLR Requirements Related to Third Party Vendors dated May 15, 2019																
3.12	Incurred medical incentive pool and bonuses	42 CFR §438.8(e)(2)(iv)(B); 42 CFR §438.8(e)(2)(iv)(A)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
3.12a	Paid medical incentive pool and bonuses for the MLR reporting year																	
3.12b	Accrued medical incentive pool and bonuses for the MLR reporting year																	
3.13	Medical portion of coordinated benefit and health coverage	42 CFR §438.8(e)(2)(iv)(C)																
3.14	Provider overpayment recoveries (enter as positive)	42 CFR §438.8(e)(2)(iv)(A)																
3.15	Third party liability, coordination of benefits (COB), subrogation recoveries and recoverable COB claims (enter as positive)	42 CFR §438.8(e)(2)(iv)(D) and (E)																
3.16	Withholds from payments made to network providers (enter as positive)	42 CFR §438.8(e)(2)(iv)(C)																
3.17	Net payments or receipts related to state-mandated asbestos funds	42 CFR §438.8(f)(2)(x)																
3.18	Allowable claims recovered through fraud reduction efforts	42 CFR §438.8(e)(2)(iv)(B)			\$0		\$0		\$0		\$0		\$0		\$0		\$0	
3.18a	Total fraud reduction recoveries																	
3.18b	Total fraud recoveries that represent past claims in Line 3.1																	
3.18c	Other fraud recoveries																	
4.0	Federal and State Taxes and Licensing or Regulatory Fees																	
4.1	Total federal and state taxes and licensing or regulatory fees	42 CFR §438.8(f)(3)			\$0		\$0		\$0		\$0		\$0		\$0		\$0	
4.2	Federal taxes and assessments incurred by the reporting MCP during the MLR reporting year	42 CFR §438.8(f)(3)(i)-(ii)			\$0		\$0		\$0		\$0		\$0		\$0		\$0	
4.3	Other federal taxes and assessments deductible from premium																	
4.3a	State insurance, premium and other taxes incurred by the reporting MCP during the MLR reporting year (deductible from premium in MLR calculation)	42 CFR §438.8(f)(3)(iv)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
4.3b	State income, sales, business, and other taxes																	
4.3c	State premium taxes																	
4.4	Community benefit expenditures deductible from premium in MLR calculations (only applicable to entities exempt from federal taxes)	42 CFR §438.8(f)(3)(v)																
4.5	Other federal and state regulatory authority fees and fines	42 CFR §438.8(f)(3)																
5.0	Health Care Quality Improvement (HCAI) Expenses Incurred																	
5.1	Total health care quality improvement expenses	42 CFR §438.8(c)(3)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
5.2	Expenditures for activities that improve health care quality	42 CFR §438.8(c)(3)(i); 45 CFR §108.150(a)(i) and (c)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
5.2a	Improve health outcomes	45 CFR §108.150(b)(2)(i)																
5.2b	Activities to prevent hospital readmission	45 CFR §108.150(b)(2)(ii)																
5.2c	Improve patient safety and reduce medical errors	45 CFR §108.150(b)(2)(iii)																
5.2d	Wellness and health promotion activities	45 CFR §108.150(b)(2)(iv)																
5.3	Health information technology expenses related to improving health care quality	42 CFR §438.8(c)(3)(iv); 45 CFR §108.150(b)(2)(v)																
5.3a	External quality review (EQR) expenses related to improving health care quality	45 CFR §108.151																
5.4	Internal quality review (EQR) expenses related to improving health care quality	42 CFR §438.8(c)(3)(iii)																
6.0	Non-Patient Costs																	
6.1	Total non-patient costs	42 CFR §438.8(e)(2)(v)(A)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
6.1a	Amounts paid to vendors for specialty network savings	42 CFR §438.8(e)(2)(v)(A)(i)																
6.1b	Amounts paid to vendors for network development, administrative fees, claims processing, and utilization management	42 CFR §438.8(e)(2)(v)(A)(ii)																
6.1c	Amounts paid, including amounts paid to a provider, for professional or administrative services that do not represent compensation or reimbursement for covered services provided to an enrollee	42 CFR §438.8(e)(2)(v)(A)(3)																
6.1d	Cost containment expenses not included in lines 6.1a through 6.1c																	
6.1e	All other claims adjustment expenses																	
6.1f	Pharmacy benefit manager/pharmacy benefit administrator expenses not allowable as incurred claims	42 CFR §438.8(e)(2)(v)(A); CB: MLR Requirements Related to Third Party Vendors dated May 15, 2019																
6.1g	Salaries and benefits (excluding amounts reported in QIA expenses)																	
6.1h	Reproduction																	
6.1i	Fees such as bank service charges																	
6.1j	Interest																	
6.1k	Interest expense																	
6.1l	Office supplies and equipment																	
6.1m	Professional and outside services																	
6.1n	Research and maintenance																	
6.1o	Travel																	

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
7.7	MLR denominator (MDCT-MGR line 2.3)	42 CFR 4438.6(f)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7.8	Member months (MDCT-MGR line 3.1)	42 CFR 4438.6(g)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.9	Unaudited MLR (MDCT-MGR line 3.2)	42 CFR 4438.6(d)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7.10	Credibility adjustment (MDCT-MGR line 3.3)	42 CFR 4438.6(h)																
7.11	Adjusted MLR (MDCT-MGR line 4.6)	42 CFR 4438.6(i)																Non-Creditable
7.12	Remittance dollar amount owed for MLR reporting period (MDCT-MGR line 4.6.1)	42 CFR 4438.6(j)																Non-Creditable

Part 2 Expense Allocation Methodologies

12		3	4	5	6
Line #Type of Expense		Expense Methodology, Including Statistical Basis, Current Year	Consistent with Prior Year?	Consistent with Other Markets?	Comments, including: Justification for Change in Methodology from Prior Year and/or Inconsistency in Methodology with Other Markets, if applicable
1.0 Incurred Claims					
1.1	Pharmacy rebates				
1.2	Fraud reduction expense				
1.3	Provider incentives				
1.4	[Describe expense]				
1.5	[Describe expense]				
1.6	[Describe expense]				
1.7	[Describe expense]				
1.8	[Describe expense]				
1.9	[Describe expense]				
2.0 Health Care Quality Improvement Activities (QIA)					
2.1 Corporate or parent company QIA expense					
2.1a	Expenditures for activities that improve health care quality				
2.2 Managed care plan QIA expense					
2.2a	Expenditures for activities that improve health care quality				
2.3 Vendor/provider QIA expense					
2.3a	Expenditures for activities that improve health care quality				
2.4 Health information technology (HIT) expense					
2.5 External quality review (EQR) expense					
3.0 Federal and State Taxes and Licensing or Regulatory Fees					
3.1 Federal taxes and assessments incurred by the reporting issuer during the MLR reporting year					
3.1a	Federal income taxes deductible from premium in MLR calculations				
3.1b	Other federal taxes and assessments deductible from premium				
3.2 State insurance, premium and other taxes incurred by the reporting issuer during the MLR reporting year (deductible from premium in MLR calculation)					
3.2a	State income, excise, business, and other taxes				

3.2b	State premium taxes				
3.2c	Community benefit expenditures deductible from premium in MLR calculations (only applicable to MCPs exempt from federal income taxes)				
3.3	Regulatory authority licenses and fees				
3.3a	[Describe expense]				
3.3b	[Describe expense]				
3.3c	[Describe expense]				
4.0	Non-Claims Costs				
4.1	Corporate or parent company non-claims costs				
4.1a	Salaries and benefits of employees				
4.1b	Indirect expense				
4.2	Managed care plan non-claims costs				
4.2a	Salaries and benefits of employees				
4.2b	Indirect expense				
4.3	Vendor/provider non-claims costs				
4.4	Other non-claims costs				
4.4a	[Describe expense]				
4.4b	[Describe expense]				
4.4c	[Describe expense]				
4.4d	[Describe expense]				
4.4e	[Describe expense]				
5.0	Other Expense				
5.1	[Describe expense]				
5.2	[Describe expense]				
5.3	[Describe expense]				
5.4	[Describe expense]				
5.5	[Describe expense]				
5.6	[Describe expense]				

5.7	[Describe expense]				
5.8	[Describe expense]				
5.9	[Describe expense]				
5.10	[Describe expense]				

Part 3 Financial Statements

1	2	3	4	5	6	7
Line #	Financial Statement Line Description	Financial Statements Period 1	Financial Statements Period 2	Pro-Rated Financial Statements - Flows to Part 3.1, column 4	Financial Statement Item Reported on MLR	Comments
1.0	Pro-Ration of Financial Statements		100%	100%	-	-
2.0	Member Months	-	-	-	-	-
2.1	Total Member Months			0		
3.0	Revenues	-	-	-	-	-
3.1	[Enter financial statement line description]			\$0		
3.2	[Enter financial statement line description]			\$0		
3.3	[Enter financial statement line description]			\$0		
3.4	[Enter financial statement line description]			\$0		
3.5	[Enter financial statement line description]			\$0		
3.6	[Enter financial statement line description]			\$0		
3.7	[Enter financial statement line description]			\$0		
3.8	[Enter financial statement line description]			\$0		
3.9	[Enter financial statement line description]			\$0		
3.10	[Enter financial statement line description]			\$0		
3.11	Total Revenues	\$0	\$0	\$0	-	
4.0	Incurred Claims	-	-	-	-	-
4.1	[Enter financial statement line description]			\$0		
4.2	[Enter financial statement line description]			\$0		
4.3	[Enter financial statement line description]			\$0		
4.4	[Enter financial statement line description]			\$0		
4.5	[Enter financial statement line description]			\$0		
4.6	[Enter financial statement line description]			\$0		
4.7	[Enter financial statement line description]			\$0		
4.8	[Enter financial statement line description]			\$0		
4.9	[Enter financial statement line description]			\$0		
4.10	[Enter financial statement line description]			\$0		
4.11	Total Incurred Claims	\$0	\$0	\$0	-	
5.0	Taxes	-	-	-	-	-
5.1	[Enter financial statement line description]			\$0		
5.2	[Enter financial statement line description]			\$0		
5.3	[Enter financial statement line description]			\$0		
5.4	[Enter financial statement line description]			\$0		
5.5	[Enter financial statement line description]			\$0		
5.6	[Enter financial statement line description]			\$0		
5.7	[Enter financial statement line description]			\$0		
5.8	[Enter financial statement line description]			\$0		
5.9	[Enter financial statement line description]			\$0		
5.10	[Enter financial statement line description]			\$0		
5.11	Total Taxes	\$0	\$0	\$0	-	
6.0	Non-Claims	-	-	-	-	-
6.1	[Enter financial statement line description]			\$0		
6.2	[Enter financial statement line description]			\$0		
6.3	[Enter financial statement line description]			\$0		
6.4	[Enter financial statement line description]			\$0		
6.5	[Enter financial statement line description]			\$0		
6.6	[Enter financial statement line description]			\$0		
6.7	[Enter financial statement line description]			\$0		
6.8	[Enter financial statement line description]			\$0		
6.9	[Enter financial statement line description]			\$0		
6.10	[Enter financial statement line description]			\$0		

6.11 Total Non-Claims		\$0	\$0	\$0	-	
7.0 Other		-	-	-	-	-
7.1	[Enter financial statement line description]			\$0		
7.2	[Enter financial statement line description]			\$0		
7.3	[Enter financial statement line description]			\$0		
7.4	[Enter financial statement line description]			\$0		
7.5	[Enter financial statement line description]			\$0		
7.6	[Enter financial statement line description]			\$0		
7.7	[Enter financial statement line description]			\$0		
7.8	[Enter financial statement line description]			\$0		
7.9	[Enter financial statement line description]			\$0		
7.10	[Enter financial statement line description]			\$0		
7.11 Total Other		\$0	\$0	\$0	-	
8.0 Net Income		-	-	-	-	-
8.1	Net underwriting gain	\$0	\$0	\$0	-	
8.2	Net underwriting gain per financial statements			\$0	-	
8.3 Variance in underwriting gain		\$0	\$0	\$0	-	
8.4	Net income before federal income taxes	\$0	\$0	\$0	-	
8.5	Net income before federal income taxes per financial statements			\$0	-	
8.6 Variance in net income before federal taxes		\$0	\$0	\$0	-	
8.7	Net income after federal income taxes	\$0	\$0	\$0	-	
8.8	Net income after federal income taxes per financial statements			\$0	-	
8.9 Variance in net income after federal taxes		\$0	\$0	\$0	-	

Part 3.1 Comparison to Financial Statements

12		3	4	5	6	7
Line #	MLR Reporting Category	Amount per MLR	Financial Statements	MLR Above/(Below) Financial Statements	% Difference Above/(Below) Financial Statements	Explanation for Variances Exceeding 0%
1.0 Member Months		0	0	-	-	-
1.1	[Describe reconciling item]	-		-	-	-
1.2	[Describe reconciling item]	-		-	-	-
1.3	[Describe reconciling item]	-		-	-	-
1.4	[Describe reconciling item]	-		-	-	-
1.5	[Describe reconciling item]	-		-	-	-
1.6	[Describe reconciling item]	-		-	-	-
1.7	[Describe reconciling item]	-		-	-	-
1.8	[Describe reconciling item]	-		-	-	-
1.9	[Describe reconciling item]	-		-	-	-
1.10	[Describe reconciling item]	-		-	-	-
1.11	Total Financial Statements	-	0	0	N/A	
2.0 Premium Revenues		\$0	\$0	-	-	-
2.1	[Describe reconciling item]	-		-	-	-
2.2	[Describe reconciling item]	-		-	-	-
2.3	[Describe reconciling item]	-		-	-	-
2.4	[Describe reconciling item]	-		-	-	-
2.5	[Describe reconciling item]	-		-	-	-
2.6	[Describe reconciling item]	-		-	-	-
2.7	[Describe reconciling item]	-		-	-	-
2.8	[Describe reconciling item]	-		-	-	-
2.9	[Describe reconciling item]	-		-	-	-
2.10	[Describe reconciling item]	-		-	-	-
2.11	Total Financial Statements	-	\$0	\$0	N/A	
3.0 Incurred Claims		\$0	\$0	-	-	-
3.1	[Describe reconciling item]	-		-	-	-
3.2	[Describe reconciling item]	-		-	-	-
3.3	[Describe reconciling item]	-		-	-	-
3.4	[Describe reconciling item]	-		-	-	-
3.5	[Describe reconciling item]	-		-	-	-
3.6	[Describe reconciling item]	-		-	-	-
3.7	[Describe reconciling item]	-		-	-	-
3.8	[Describe reconciling item]	-		-	-	-
3.9	[Describe reconciling item]	-		-	-	-
3.10	[Describe reconciling item]	-		-	-	-
3.11	Total Financial Statements	-	\$0	\$0	N/A	
4.0 Health Care Quality Improvement Activities Expenses Incurred		\$0		-	-	-
4.1	[Describe reconciling item]	-		-	-	-
4.2	[Describe reconciling item]	-		-	-	-
4.3	[Describe reconciling item]	-		-	-	-

4.4	[Describe reconciling item]	-		-	-	-
4.5	[Describe reconciling item]	-		-	-	-
4.6	[Describe reconciling item]	-		-	-	-
4.7	[Describe reconciling item]	-		-	-	-
4.8	[Describe reconciling item]	-		-	-	-
4.9	[Describe reconciling item]	-		-	-	-
4.10	[Describe reconciling item]	-		-	-	-
4.11	Total Financial Statements	-	\$0	\$0	N/A	
5.0	Non-Claims Costs	\$0	\$0	-	-	-
5.1	[Describe reconciling item]	-		-	-	-
5.2	[Describe reconciling item]	-		-	-	-
5.3	[Describe reconciling item]	-		-	-	-
5.4	[Describe reconciling item]	-		-	-	-
5.5	[Describe reconciling item]	-		-	-	-
5.6	[Describe reconciling item]	-		-	-	-
5.7	[Describe reconciling item]	-		-	-	-
5.8	[Describe reconciling item]	-		-	-	-
5.9	[Describe reconciling item]	-		-	-	-
5.10	[Describe reconciling item]	-		-	-	-
5.11	Total Financial Statements	-	\$0	\$0	N/A	
6.0	Federal and State Taxes and Licensing or Regulatory Fees	\$0	\$0	-	-	-
6.1	[Describe reconciling item]	-		-	-	-
6.2	[Describe reconciling item]	-		-	-	-
6.3	[Describe reconciling item]	-		-	-	-
6.4	[Describe reconciling item]	-		-	-	-
6.5	[Describe reconciling item]	-		-	-	-
6.6	[Describe reconciling item]	-		-	-	-
6.7	[Describe reconciling item]	-		-	-	-
6.8	[Describe reconciling item]	-		-	-	-
6.9	[Describe reconciling item]	-		-	-	-
6.10	[Describe reconciling item]	-		-	-	-
6.11	Total Financial Statements	-	\$0	\$0	N/A	
7.0	Total Expenses	\$0	\$0	-	-	-
7.1	[Describe reconciling item]	-		-	-	-
7.2	[Describe reconciling item]	-		-	-	-
7.3	[Describe reconciling item]	-		-	-	-
7.4	[Describe reconciling item]	-		-	-	-
7.5	[Describe reconciling item]	-		-	-	-
7.6	[Describe reconciling item]	-		-	-	-
7.7	[Describe reconciling item]	-		-	-	-
7.8	[Describe reconciling item]	-		-	-	-
7.9	[Describe reconciling item]	-		-	-	-
7.10	[Describe reconciling item]	-		-	-	-

7.11	Total Financial Statements		\$0	\$0	N/A	
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Credibility Adjustment Tables

Table 1 - Base Credibility Adjustment Factors: Standard Plans	
Member Months in MLR Reporting Year	Standard Plans Credibility Adjustment
-	
5,400	8.4%
12,000	5.7%
24,000	4.0%
48,000	2.9%
96,000	2.0%
192,000	1.5%
380,000	1.0%
	0.0%

Table 2 - Base Credibility Adjustment Factors: MLTSS Only Plans	
Member Months in MLR Reporting Year	MLTSS Only Plans Credibility Adjustment
-	
630	8.4%
1,000	6.7%
2,000	4.7%
4,000	3.4%
8,000	2.4%
16,000	1.7%
32,000	1.2%
45,000	1.0%
	0.0%

Source: "Medical Loss Ratio (MLR) Credibility Adjustments" Center for Medicaid & CHIP Services (CMCS) Informational Bulletin, July 31, 2017:
<https://www.medicaid.gov/federal-policy-guidance/downloads/cib073117.pdf>.