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Press Release

Milliman analysis: Medicaid managed care market penetration quadruples over past decade

Tenth anniversary of Milliman's Medicaid managed care report highlights changes in program membership and finances

SEATTLE – JUNE 4, 2018 – Milliman, Inc., a premier global consulting and actuarial firm, today announced the availability of its annual research into the financial results and administrative expenses associated with Medicaid managed care plans. This year's report marks the tenth edition of Milliman's research, and combines the financial and administrative analysis into one comprehensive report including an in-depth examination of Medicaid managed care plans' medical loss ratios (MLR), administrative loss ratios (ALR), underwriting ratios (UW ratio), and RBC ratios. The information is of significant value to the Medicaid industry as enrollment and revenue continue to increase year-over-year.

"Observing the changes that have occurred in the Medicaid managed care landscape over the last ten years provides valuable insight into the makeup of the market," said Chris Pettit, Milliman principal and consulting actuary. "We have made enhancements to this year's report that help to highlight the growth in this industry and the ebb and flow of experience over time."

Key findings from the analysis include:

- The average underwriting gain of 0.9% in calendar year (CY) 2017 remained relatively stable from the composite gains observed in CY 2016.
- During the past ten years of our analysis, the data studied for the report has seen a 250% growth in membership and over 400% growth in revenue for the studied Medicaid managed care programs
- Administrative expenses continue to increase on a per member per month basis, but decrease as a percentage of revenue has been observed from CY 2016 to CY 2017.

To see the Medicaid administrative expenses report go to <http://www.milliman.com/medicaid-results-2017/>.

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.

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