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Medicaid risk-based managed care: Analysis of financial results for 2011



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INTRODUCTION

Risk-based managed care is the current platform from which Medicaid recipients receive healthcare benefits, at least in part, in more than 30 states in the United States. Managed care organizations (MCOs) of all varieties contract with state Medicaid agencies to deliver and manage the healthcare benefits under the Medicaid program in exchange for predetermined capitation revenue.

Most states require that a contracted MCO also be a licensed health maintenance organization (HMO), which includes the requirement to file a statutory annual statement with the state insurance regulator. The statutory HMO annual statement is a standard reporting structure developed and maintained by the National Association of Insurance Commissioners (NAIC) with prescribed definitions allowing comparisons among various reporting entities.

This report summarizes the calendar year (CY) 2011 experience for selected financial metrics of organizations reporting Medicaid (Title XIX) experience. The information was compiled from the reported annual statements.¹ Companies may be excluded from this report if they did not submit an annual statement, if they have less than \$10 million in annual Medicaid (Title XIX) revenue, if they are a specialized behavioral health or community care plan, or if they are omitted from the annual statement software.

The primary purpose of this report is to provide reference and benchmarking information for certain key financial metrics used in the day-to-day analysis of Medicaid MCO financial performance.

The primary purpose of this report is to provide reference and benchmarking information for certain key financial metrics used in the day-to-day analysis of Medicaid MCO financial performance. The financial results are summarized on a composite basis for all reporting MCOs. Additionally, this report explores the differences among various types of MCOs using available segmentation attributes defined from the reported financial statements.

The target audiences of this report include state Medicaid agency and MCO personnel responsible for reviewing and monitoring the financial results of a risk-based managed care program.

The intent is that this report will be updated on an annual basis. This is the fourth version of the report reflecting CY 2011 information. Previous versions of this report can be obtained from the Milliman website (www.milliman.com). The methodology used to generate this report is substantially consistent with the previous year's report.

¹ National Association of Insurance Commissioners Annual Statement Database, as delivered by SNL Financial, LC, all rights reserved.

SUMMARY OF RESULTS

The CY 2011 annual statements for 32 states and territories comprising 151 MCOs were compiled to produce outcomes of key financial metrics for various company groupings. The distribution of results is summarized in this report to allow for user reference and benchmarking purposes.

MCOs reporting \$10 million or more in annual Medicaid (Title XIX) revenue, excluding specialized behavioral health and community care plans, were retained and categorized using certain key attributes. The attributes included the Centers for Medicare and Medicaid Services (CMS) region, state of domicile, annual Medicaid revenue, Medicaid revenue per member per month (PMPM), type of MCO (Medicaid only or Medicaid other), affiliation type of MCO (independent or affiliated), MCO financial structure, pharmacy indicator, and underwriting (UW) gain or loss.

The financial metrics include the medical loss ratio (MLR), administrative loss ratio (ALR), underwriting ratio (UW Ratio), and risk-based capital ratio (RBC Ratio). The selected metrics focus primarily on the income statement values of the financial statement, with the exception of the RBC Ratio, which is a capital (or solvency) measure.

Figure 1 summarizes the composite CY 2011 financial results for the 151 companies meeting the criteria selected for this study. The companies represent experience from 32 states and territories with over \$62 billion in revenue.

The CY 2011 annual statements for 32 states and territories comprising 151 MCOs were compiled to produce outcomes of key financial metrics for various company groupings.

FIGURE 1: COMPOSITE CY 2011 FINANCIAL RESULTS

FINANCIAL METRIC	COMPOSITE MEAN	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE
MEDICAL LOSS RATIO (MLR)	85.5%	82.6%	86.1%	90.0%
ADMINISTRATIVE LOSS RATIO (ALR)	12.1%	9.2%	11.8%	14.5%
UW RATIO	2.4%	(0.8%)	2.2%	4.6%
RBC RATIO	515%	335%	452%	589%

1. Values have been rounded.
2. The percentile distributions were developed independently for each metric. As such, the MLR plus ALR plus UW Ratio do not necessarily sum to 100%.

Figure 2 summarizes the composite financial results for the most recent five-year period. The companies in each year are not the same; however, the criterion used to select the companies is consistent from year to year.

FIGURE 2: COMPOSITE FINANCIAL RESULTS					
FINANCIAL METRIC	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
NUMBER OF COMPANIES	139	140	148	150	151
MEDICAID REVENUE (IN \$ BILLIONS)	\$35.3	\$39.4	\$48.1	\$54.6	\$62.0
MEMBER MONTHS (IN MILLIONS)	145	150	178	202	215
MEDICAL LOSS RATIO (MLR)	87.3%	87.4%	87.9%	85.3%	85.5%
ADMINISTRATIVE LOSS RATIO (ALR)	11.9%	11.7%	11.5%	12.1%	12.1%
UW RATIO	0.9%	1.0%	0.6%	2.6%	2.4%
RBC RATIO	528%	464%	447%	511%	515%

1. Values have been rounded.

The results illustrated above indicate that, in aggregate, the financial results for the MCOs in this report remained fairly consistent in CY 2011 with CY 2010 performance.

The results illustrated above indicate that, in aggregate, the financial results for the MCOs in this report remained fairly consistent in CY 2011 with CY 2010 performance. The MLR and ALR are nearly identical between the two most calendar years, despite the 13.5% growth in total revenue. The total member months increased by approximately 6.5% over CY 2010.

FINANCIAL METRICS

The financial metrics calculated for purposes of this report included the medical loss ratio (MLR), administrative loss ratio (ALR), underwriting ratio (UW Ratio), and risk-based capital ratio (RBC Ratio). The selected metrics focus primarily on the income statement values of the financial statement, with the exception of the RBC Ratio, which is a capital (or solvency) measure.

The financial metrics selected encompass four of the primary ratios used by MCOs, state Medicaid agencies, and other stakeholders to evaluate the financial performance of a health plan. The metrics are defined in greater detail below.

Medical loss ratio (MLR)

Medical loss ratio (MLR) is a common financial metric used to report and benchmark the financial performance of an MCO. The MLR represents the proportion of revenue that was used by the MCO to fund claim expenses. The MLR is stated as a percentage with claim expense in the numerator and premium revenue in the denominator.

In terms of the statutory annual statement, the MLR was defined as follows:

$$\text{MLR} = \frac{\text{Total Hospital and Medical Expenses} + \text{Increase in Reserves for A\&H Contracts}}{\text{Total Revenue}}$$

Where: Total Hospital and Medical Expenses: Title XIX–Medicaid (P.7, L.17, C.8)
 Increase in Reserves for Accident and Health (A&H) Contracts: Title XIX–Medicaid (P.7, L.21, C.8)
 Total Revenue: Title XIX–Medicaid (P.7, L.7, C.8)

Note: Certain states include pass-through type programs such as franchise fees or provider taxes. These items may or may not be included in the total revenue reported by the MCO because the reporting practices vary among plans. If reported in the total revenue, there should be a corresponding offset amount included in the administrative costs for this as well.

Actuaries and financial analysts use the MLR as a measure of premium adequacy and often compare the resulting MLR to a *target* level. The MLR alone is not sufficient to compare MCO financial results among various states and programs. The target loss ratios (the claim cost included in the premium or capitation rate) vary by state and populations enrolled. Additionally, there may be reporting differences among MCOs as to what is classified as medical expense versus administrative expense.

It should be noted that the definition of MLR for purposes of this report may not be consistent with other definitions, in particular the MLR definition resulting from the Patient Protection and Affordable Care Act (PPACA) provisions for minimum loss ratios for Commercial plans.

Administrative loss ratio (ALR)

Administrative loss ratio (ALR) is also a common financial metric used to report and benchmark the financial performance of an MCO. The ALR represents the proportion of revenue that was used by the MCO to fund administrative expenses. The ALR is stated as a percentage with administrative expense in the numerator and premium revenue in the denominator.

The financial metrics calculated for purposes of this report included the medical loss ratio (MLR), administrative loss ratio (ALR), underwriting ratio (UW Ratio), and risk-based capital ratio (RBC Ratio).

In terms of the statutory annual statement, the ALR was defined as follows:

ALR =	$\frac{\text{Claim Adjustment Expenses} + \text{General Administrative Expenses}}{\text{Total Revenue}}$
Where:	Claim Adjustment Expenses: Title XIX–Medicaid (P.7, L.19, C.8) General Administrative Expenses: Title XIX–Medicaid (P.7, L.20, C.8) Total Revenue: Title XIX–Medicaid (P.7, L.7, C.8)

Note: Certain states include pass-through type programs such as franchise fees or provider taxes. These items may or may not be included in the total revenue reported by the MCO because the reporting practices vary among plans. If reported in the total revenue, there should be a corresponding offset amount included in the administrative costs for this as well.

The ALR requires interpretation and considerations similar in nature to the MLR metric outlined above.

Underwriting ratio

The underwriting ratio (UW Ratio) is the sum of the MLR and the ALR compared with 100%. A positive UW Ratio indicates a gain, while a negative UW Ratio indicates a loss. This financial metric is used to report and benchmark the financial performance of an MCO in consideration of both medical and administrative expenses. The UW Ratio represents the proportion of revenue that was *left over* to fund the MCO's contribution to surplus and profit after funding medical and administrative expenses. The UW Ratio is stated as a percentage with total underwriting gain or loss in the numerator and premium revenue in the denominator.

In terms of the statutory annual statement, the UW Ratio was defined as follows:

UW Ratio =	$\frac{\text{Net Underwriting Gain (or Loss)}}{\text{Total Revenue}}$
Where:	Net Underwriting Gain (or Loss): Title XIX–Medicaid (P.7, L.24, C.8) Total Revenue: Title XIX–Medicaid (P.7, L.7, C.8)

Note: Certain states include pass-through type programs such as franchise fees or provider taxes. These items may or may not be included in the total revenue reported by the MCO because the reporting practices vary among plans. If reported in the total revenue, there should be a corresponding offset amount included in the administrative costs for this as well.

The UW Ratio is focused on the income from operations and excludes consideration of investment income and income taxes. The UW Ratio requires interpretation and considerations similar in nature to the MLR and ALR metrics outlined above.

Risk-based capital ratio (RBC Ratio)

The risk-based capital ratio (RBC Ratio) is a financial metric used by many insurance regulators to monitor the solvency of the MCOs. The RBC Ratio represents the proportion of the required minimum capital that is held by the MCO as of a specific date (the end of the financial reporting period). The RBC Ratio is stated as a percentage or a ratio with total adjusted capital (TAC) in the numerator and authorized control level (ACL) in the denominator.

The National Association of Insurance Commissioners (NAIC) prescribes a specific formula to develop both the TAC and the ACL. Further, the MCO is subjected to various action levels based on the resulting RBC Ratio as follows:

- Company action level (TAC is between 150% and 200% of the ACL RBC)
- Regulatory action level (TAC is between 100% and 150% of the ACL RBC)
- Authorized control level (TAC is between 70% and 100% of the ACL RBC)
- Mandatory control level (TAC less than 70% of the ACL RBC)

Further details and discussion of the RBC Ratio requirements may be found at the NAIC website (www.naic.org).

In terms of the statutory annual statement, the RBC Ratio was defined as follows:

RBC Ratio =	$\frac{\text{Total Adjusted Capital}}{\text{Authorized Control Level}}$
Where:	Total Adjusted Capital: Total Adjusted Capital—Current Year (P.29, L.14, C.1) Authorized Control Level: Authorized Control Level—Current Year (P.29, L.15, C.1)

Note: The RBC Ratio is not unique to the Medicaid Title XIX line of business as it is calculated at the company level. Therefore, companies reporting non-Medicaid business will reflect composite RBC Ratios for all lines of business within the reported legal entity.

MCO GROUPING

MCOs reporting \$10 million or more in annual Medicaid (Title XIX) revenue, excluding specialized behavioral health and community care plans, were retained and categorized using certain key attributes. The attributes included the CMS region, state of domicile, annual Medicaid revenue, Medicaid revenue per member per month (PMPM), type of MCO (Medicaid only or Medicaid other), affiliation type of MCO (independent or affiliated), MCO financial structure, pharmacy indicator, and UW gain or loss.

The MCO groupings selected encompass plan characteristics that were available on the reported financial statements and may be expected to exhibit differing results for the selected financial metrics.

The MCO groupings selected encompass plan characteristics that were available on the reported financial statements and may be expected to exhibit differing results for the selected financial metrics. The groupings are defined in greater detail below.

CMS region

Healthcare delivery and premium revenue are believed to vary by geographic location. As such, it may be inferred that at least some portion of the financial results for an MCO are correlated to the geographic area in which the MCO is operating.

This report includes an MCO grouping representing the geographic segmentation of MCOs. The region was defined using CMS regional definitions. These definitions were taken from the CMS website (www.cms.hhs.gov). The region grouping is not the specific level at which premiums or capitations are established, however, and this could diminish the value of correlation among financial results at this grouping level.

Plans operating in the state of California are not included in this report, due to the lack of consistency in reporting and separately identifying Medicaid experience on the California financial statement pages.

FIGURE 3: CMS REGION

CMS REGION	N	MLR	ALR	UW RATIO	RBC RATIO
REGION 1	9	89.3%	7.7%	3.0%	455%
REGION 2	13	87.2%	10.3%	2.4%	601%
REGION 3	20	87.0%	11.3%	1.6%	436%
REGION 4	29	83.8%	13.2%	3.0%	410%
REGION 5	43	84.3%	13.4%	2.3%	489%
REGION 6	18	84.3%	13.1%	2.6%	504%
REGION 7	8	87.4%	9.6%	3.0%	461%
REGION 8	0				
REGION 9	5	90.7%	9.2%	0.1%	591%
REGION 10	6	85.8%	12.6%	1.6%	787%

Note: The observed differences among the mean values for the MLR, the ALR, the UW Ratio, and the RBC Ratio were determined not to be statistically significant for certain regions.

State of domicile

The state in which the MCO is incorporated (state of domicile) was considered for segmentation purposes because the combination of MCO and state of domicile is the finest level of detail available for reporting the statutory annual statement values. The state level is also the level at which the premiums are calculated, ignoring populations enrolled, intra-state regions, and other premium rating characteristics. As such, the resulting financial performance for MCOs within a state may be thought to be correlated in some way given the homogeneous program characteristics and premium rating methodology. However, the state of domicile, in certain cases, may contain only a limited number of

data points from which to compile reasonable results. Figure 4 provides average values for each state or territory with at least one health plan included in this analysis.

FIGURE 4: STATE OF DOMICILE					
CMS REGION	N	MLR	ALR	UW RATIO	RBC RATIO
CONNECTICUT	2	86.2%	9.5%	4.3%	428%
DISTRICT OF COLUMBIA	2	98.1%	11.1%	(9.3%)	122%
FLORIDA	13	87.1%	12.5%	0.4%	401%
GEORGIA	3	81.8%	13.8%	4.4%	408%
HAWAII	3	95.4%	8.2%	(3.5%)	598%
ILLINOIS	1	69.0%	17.3%	13.6%	726%
INDIANA	3	87.1%	13.9%	(0.9%)	441%
KANSAS	1	92.7%	9.3%	(2.1%)	544%
KENTUCKY	4	99.9%	8.1%	(8.0%)	400%
MARYLAND	3	80.4%	10.9%	8.7%	514%
MASSACHUSETTS	5	91.5%	6.6%	1.9%	431%
MICHIGAN	13	82.9%	15.1%	2.0%	378%
MINNESOTA	4	91.6%	8.3%	0.1%	645%
MISSISSIPPI	2	79.6%	11.0%	9.3%	390%
MISSOURI	5	87.2%	9.7%	3.1%	500%
NEBRASKA	2	85.5%	9.7%	4.9%	316%
NEVADA	2	83.3%	10.9%	5.8%	572%
NEW JERSEY	4	85.3%	11.5%	3.2%	405%
NEW MEXICO	4	82.7%	14.1%	3.1%	682%
NEW YORK	7	85.5%	11.3%	3.2%	706%
OHIO	7	79.2%	15.8%	4.9%	514%
OREGON	1	164.0%	14.2%	(78.2%)	1,129%
PENNSYLVANIA	7	87.3%	12.7%	0.0%	382%
PUERTO RICO	2	94.3%	6.3%	(0.5%)	134%
RHODE ISLAND	2	84.3%	10.1%	5.6%	599%
SOUTH CAROLINA	4	87.7%	10.2%	2.1%	543%
TENNESSEE	3	78.9%	15.2%	5.9%	392%
TEXAS	14	84.6%	12.9%	2.5%	443%
VIRGINIA	5	87.7%	7.5%	4.8%	467%
WASHINGTON	5	84.8%	12.6%	2.6%	724%
WEST VIRGINIA	3	85.9%	9.5%	4.7%	754%
WISCONSIN	15	90.7%	9.5%	(0.2%)	372%

Annual Medicaid revenue

The annual revenue under which the MCO operates may be a contributing factor to the resulting financial performance metrics summarized in this report. Administrative expense percentages are believed to vary based on MCO size because of fixed and variable expense structures. Additionally, claim volume may also dictate the amount of leverage an MCO has in negotiations with providers regarding reimbursement levels.

The drawback of developing conclusions based on annual Medicaid revenue is that often MCOs, at the organization or parent company level, are larger than the Medicaid revenue they report in a given state program. The business in other programs such as Medicare and commercial or business in other states may provide the economies of scale to spread costs and create efficiencies. This distinction is not included in this report, as each MCO and state was assumed to be an independent data point.

FIGURE 5: ANNUAL MEDICAID REVENUE

ANNUAL MEDICAID REVENUE	N	MLR	ALR	UW RATIO	RBC RATIO
\$10 TO \$50 MILLION	12	93.6%	11.9%	(5.6%)	586%
\$50 TO \$100 MILLION	24	90.2%	11.6%	(1.8%)	655%
\$100 TO \$250 MILLION	45	85.6%	12.2%	2.2%	567%
MORE THAN \$250 MILLION	70	85.2%	12.1%	2.6%	477%

Note: The observed differences among the mean values for the UW Ratio were determined to be statistically significant.

The results shown in Figure 5 indicate that the \$10 to \$50 and \$50 to \$100 million categories have observed significantly less favorable financial performance than the larger revenue categories.

The results shown in Figure 5 indicate that the \$10 to \$50 and \$50 to \$100 million categories have observed significantly less favorable financial performance than the larger revenue categories. This may be attributable, in part, to a limited ability to absorb the increased financial pressures put on MCOs due to the economic downturn and its impact on state budgets.

Medicaid revenue PMPM

Within Medicaid, there are various population types that observe significantly different claim cost. For example, the average claims PMPM for a typical TANF (Temporary Assistance for Needy Families) population is expected to be significantly less than a disabled population. The segmentation of population was not available on the data used in this report. As such, the revenue per member per month (PMPM) was used as a proxy to indicate different population morbidities. The specific categories were selected to yield a sufficient sample size in each group such that comparison would be meaningful.

FIGURE 6: MEDICAID REVENUE PMPM

MEDICAID REVENUE PMPM	N	MLR	ALR	UW RATIO	RBC RATIO
\$0 TO \$225	56	86.6%	10.9%	2.4%	532%
\$225 TO \$300	49	84.5%	12.6%	2.9%	495%
MORE THAN \$300	46	85.8%	12.3%	1.9%	520%

Note: The observed differences among the mean values were not determined to be statistically significant.

Type of MCO (Medicaid only or Medicaid other)

MCOs participating in Medicaid managed care programs may be a Medicaid-only plan or may participate in programs other than Medicaid. The purpose of this segmentation is to review the results of plans that are only focused on Medicaid programs as opposed to a more diverse product offering.

Medicaid Other refers to any MCO reporting \$10 million or more of Medicaid revenue, but also reporting other lines of business making up more than 10% of the total revenue.

FIGURE 7: MCO TYPE

MCO TYPE	N	MLR	ALR	UW RATIO	RBC RATIO
MEDICAID ONLY	61	83.8%	13.1%	3.1%	396%
MEDICAID OTHER	90	87.2%	11.1%	1.7%	553%

Note: The observed differences among the mean values for the ALR and the RBC Ratio were determined to be statistically significant.

The annual statements of MCOs are reported at the legal entity level. Many MCOs create separate legal entities for the Medicaid line of business. This practice complicates a comparison of Medicaid-only and other Medicaid MCOs in that a Medicaid-only MCO may be a subsidiary of a larger parent organization.

Affiliation type of MCO (independent or affiliated)

The complications with the definitions of legal entities described above can be mitigated somewhat by using parent company information for the MCO legal entity located on the jurat page of the annual statement.

Many researchers and analysts believe that an MCO that is affiliated with a larger organization will benefit from administrative efficiencies and other economies of scale because of their resource-sharing and overhead allocation capabilities. The economies of scale could also extend to claim items such as national prescription benefit management (PBM) contracts or stop-loss reinsurance contracts.

FIGURE 8: MCO AFFILIATION TYPE

MCO AFFILIATION TYPE	N	MLR	ALR	UW RATIO	RBC RATIO
INDEPENDENT	33	87.3%	10.4%	2.3%	522%
AFFILIATED	118	85.1%	12.4%	2.4%	514%

Note: The observed difference among the mean values for the MLR and ALR were determined to be statistically significant.

The results shown in Figure 8 do not indicate that MCOs that are affiliated with a larger organization experience ALR values that are, on average, lower than the independent MCOs. To the contrary, the results indicate a higher average ALR for MCOs that are affiliated with a larger organization. The mean MLR, however, is lower for affiliated MCOs.

MCO financial structure (profit, nonprofit)

The MCO financial structure was defined using the company type found on the jurat page of the annual statement. The segmentation of the financial structure includes profit and non-profit MCOs.

The financial structure of an MCO is thought by some to be correlated to its resulting financial performance. For example, profit companies could be assumed to require higher UW Ratios to provide a greater return on investment for shareholders while non-profit companies may be generally focused on *breakeven* results as long as there is sufficient contribution to surplus to allow for ongoing research and development as well as other capital initiatives.

The results do not indicate that MCOs that are affiliated with a larger organization experience ALR values that are, on average, lower than the independent MCOs.

FIGURE 9: MCO FINANCIAL STRUCTURE

FINANCIAL STRUCTURE	N	MLR	ALR	UW RATIO	RBC RATIO
PROFIT	101	84.8%	12.6%	2.6%	427%
NON-PROFIT	50	86.9%	11.1%	1.9%	620%

Note: The observed differences among the mean values for the MLR, the ALR, and the RBC Ratio were determined to be statistically significant.

The results shown in Figure 9 indicate that the profit companies exhibit a higher ALR compared to non-profit. The RBC Ratios indicate a mean value that is lower for for-profit companies. This appears intuitive in that the non-profit companies may retain more of their earnings and thus have an increased capital level as compared to for-profit companies that may release capital in the form of dividends or stock repurchase initiatives.

The results shown in Figure 9 indicate that the profit companies exhibit a higher ALR compared to non-profit. The RBC Ratios indicate a mean value that is lower for for-profit companies. This appears intuitive in that the non-profit companies may retain more of their earnings and thus have an increased capital level as compared to for-profit companies that may release capital in the form of dividends or stock repurchase initiatives.

Pharmacy indicator

Pharmacy benefits typically make up approximately 15% to 20% of the total claim cost for Medicaid beneficiaries enrolled in managed care. Certain states include pharmacy within the capitation rate while others carve this and potentially other services out of the capitation agreement and make separate arrangements for their payment.

The purpose of reporting the financial results of programs with or without pharmacy benefits in the capitation rates is due to the potential impact of the unique administrative structure of the pharmacy benefits as well as the potential impact of pharmacy management on other medical services within the risk-based structure.

FIGURE 10: PHARMACY INDICATOR

PHARMACY INDICATOR	N	MLR	ALR	UW RATIO	RBC RATIO
PHARMACY INCLUDED	87	87.1%	11.3%	1.6%	502%
PHARMACY EXCLUDED	64	83.0%	13.4%	3.6%	531%

Note: The observed differences among the mean values were not determined to be statistically significant.

The resulting mean values vary for plans that carve-in pharmacy as compared to plans that carve-out pharmacy.

As indicated in Figure 10, the resulting mean values vary for plans that carve-in pharmacy as compared to plans that carve-out pharmacy. While not necessarily a causal relationship, it appears intuitive that administrative costs for Pharmacy Included plans would be lower on a composite basis as the pharmacy component is thought to have a lower administrative cost structure.

Reported gain or loss

It is intuitive that MCOs reporting an underwriting gain would have lower MLRs and/or ALRs than those reporting an underwriting loss. This segmentation is intended to review the average MLR and ALR values, and observe the relative contribution of each component to the gain or loss position.

FIGURE 11: MCO GAIN/LOSS

MCO GAIN / (LOSS)	N	MLR	ALR	UW RATIO	RBC RATIO
REPORTED A GAIN	106	83.7%	12.7%	4.3%	508%
REPORTED A LOSS	45	96.0%	10.4%	(3.1%)	528%

Note: The observed differences among the mean UW Ratio values for this MCO grouping are different by definition. The differences among the mean MLR and ALR values were not subjected to significance testing because of their interdependence with the UW Ratio.

As observed in Figure 11, the mean values of the MLRs appear to be the primary driver of the resulting gain or loss position. The ALR mean values are higher, on average, among plans that reported a gain compared to those that reported a loss. One possible explanation for the ALR results is that there is an administrative cost associated with operating a lower MLR. For example, a health plan may invest in claim edit software that increases administrative costs but reduces the claim costs as a result of the new edits.

Statistical significance of results

The results presented in this report include the average (or mean) value of observations for various MCO groupings for CY 2011. The differences among groupings were tested to determine whether they represent statistically significant differences.

Each MCO and state combination was considered a data point. The total number of data points for CY 2011 was equal to 151. The MCOs were segmented by plan characteristics, which were believed to contribute to the resulting financial metrics outlined in this report. Each mean value was tested to determine the statistical significance of the variation between company groupings. The statistical significance was estimated using the Wilcoxon rank sums (for groupings with only two classes) and the Kruskal-Wallis rank sums (for groupings with more than two classes). Both tests are considered non-parametric and were selected due to the unknown nature of the distribution of the residuals.

The results of the statistical significance testing indicate that several of the differences observed among the mean values are significant at a 95% confidence level. However, there are certain groupings that did not exhibit statistical significance as noted in each specific section. Even so, the results observed, even if not determined to be statistically significant, are still of value to interested parties for reference and benchmarking purposes.

Additionally, it should be noted that statistical significance only indicates correlation among the classes (MCO attributes) and does not necessarily imply the existence of a causal relationship. However, this does not preclude situations where the attributes of the MCOs are causing the observed results. This report does not include the assertion of cause; rather, the results are reviewed for correlation only.

The results of the statistical significance testing indicate that several of the differences observed among the mean values are significant at a 95% confidence level.

CONCLUSION

Risk-based managed care represents a large portion of total Medicaid expenditures for CY 2011 and the growth will likely continue.

Risk-based managed care represents a large portion of total Medicaid expenditures for CY 2011 and the growth will likely continue. MCOs are an integral part of this delivery system and their financial results will help us understand the sustainability of risk-based managed care.

The results provide reference and benchmarking information for certain key financial metrics used in the day-to-day analysis of Medicaid MCO financial performance. The results observed for the MCOs were volatile in nature but did suggest certain correlations among the various MCO characteristics selected for this study.

It will be important to monitor the results over time as the world of healthcare finance continues to evolve and poses new challenges.

LIMITATIONS AND DATA RELIANCE

The results contained in this report were compiled using data and information obtained from the statutory annual statements for Medicaid MCOs filed with the respective state insurance regulators. The annual statements were retrieved as of June 4, 2012, from an online database. In addition to the limiting criteria used to select companies in this report, certain MCOs may be omitted from this report because of the timing of the annual statement submission or their exclusion from the online database. For example, California and Arizona are known to operate managed care programs, but are not included in this report as there were no annual statements found in the online database for these states.

The information was relied upon as reported and without audit. To the extent that the data reported contained material errors or omissions, the values contained within this report would likewise contain similar reporting errors.

This report is intended for informational purposes only. Milliman makes no representations or warranties regarding the contents of this report to third parties. Likewise, third parties are instructed that they are to place no reliance upon this report that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

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Jeremy Palmer is a principal and consulting actuary with the Indianapolis office of Milliman and is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He joined Milliman in 2004 and currently has more than 16 years of healthcare-related actuarial experience.

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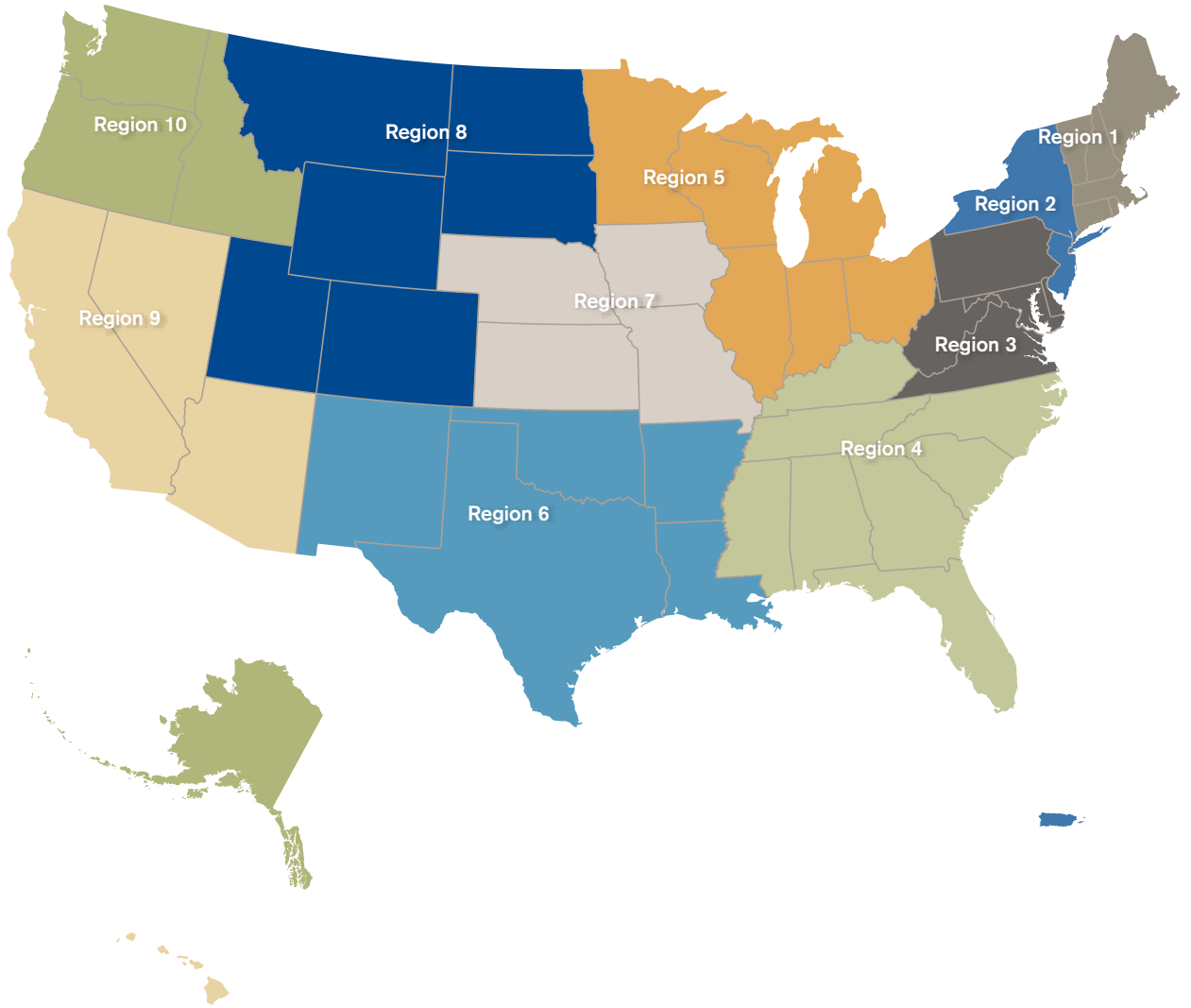
Both authors have developed an expertise in the financial forecasting, pricing, reporting, and reserving of all types of health insurance, including Medicaid and commercial populations. Much of their experience is focused on Medicaid managed care consulting for both state Medicaid programs and Medicaid managed care plans in nine states.

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APPENDIX 1



APPENDIX 2

MEDICAL LOSS RATIO: CY 2011 RESULTS

MCO GROUPING	CATEGORY	N	REVENUE		PERCENTILE					
			(IN \$ BILLIONS)	MEAN	10TH	25TH	50TH	75TH	90TH	
COMPOSITE	COMPOSITE	151	62.0	85.5%	78.0%	82.6%	86.1%	90.0%	96.9%	
CMS REGION	REGION 1	9	3.1	89.3%	77.6%	84.5%	87.4%	93.2%	97.0%	
	REGION 2	13	8.0	87.2%	81.5%	85.3%	86.8%	91.9%	94.2%	
	REGION 3	20	10.8	87.0%	79.0%	82.7%	87.2%	89.3%	94.0%	
	REGION 4	29	13.4	83.8%	77.7%	82.5%	86.8%	92.5%	100.7%	
	REGION 5	43	15.9	84.3%	78.4%	82.1%	85.1%	89.3%	93.1%	
	REGION 6	18	6.7	84.3%	79.1%	81.2%	83.9%	85.3%	86.9%	
	REGION 7	8	1.8	87.4%	79.9%	83.9%	88.3%	89.3%	90.8%	
	REGION 8									
	REGION 9	5	1.0	90.7%	83.2%	84.1%	89.4%	95.9%	116.5%	
	REGION 10	6	1.5	85.8%	83.3%	85.2%	87.6%	113.1%	142.7%	
ANNUAL REVENUE	\$10 TO \$50 MILLION	12	0.4	93.6%	82.1%	85.7%	88.7%	91.4%	121.5%	
	\$50 TO \$100 MILLION	24	1.8	90.2%	80.3%	84.6%	88.1%	95.5%	102.1%	
	\$100 TO \$250 MILLION	45	7.3	85.6%	77.0%	82.6%	85.6%	88.8%	95.1%	
	MORE THAN \$250 MILLION	70	52.5	85.2%	78.1%	81.1%	85.5%	89.8%	93.7%	
REVENUE PMPM	\$0 TO \$225	56	13.7	86.6%	78.3%	82.6%	86.9%	90.2%	95.9%	
	\$225 TO \$300	49	23.1	84.5%	80.6%	82.9%	85.5%	87.4%	91.5%	
	MORE THAN \$300	46	25.2	85.8%	76.9%	81.1%	87.2%	92.8%	100.4%	
MCO TYPE	MEDICAID ONLY	61	31.3	83.8%	76.3%	80.1%	84.7%	87.9%	91.6%	
	MEDICAID OTHER	90	30.7	87.2%	80.8%	83.8%	87.1%	92.2%	99.5%	
MCO AFFILIATION TYPE	INDEPENDENT	33	9.5	87.3%	80.4%	84.8%	87.2%	90.0%	94.6%	
	AFFILIATED	118	52.5	85.1%	77.6%	82.2%	85.8%	90.0%	98.7%	
MCO FINANCIAL STRUCTURE	PROFIT	101	42.0	77.0%	81.0%	85.4%	89.8%	95.7%	77.0%	
	NONPROFIT	50	20.2	82.5%	84.7%	87.2%	90.7%	103.3%	82.5%	
PHARMACY INDICATOR	INCLUDED	87	37.5	87.1%	79.5%	83.1%	86.6%	91.3%	99.8%	
	EXCLUDED	64	24.5	83.0%	77.5%	81.1%	85.2%	88.7%	92.5%	
GAIN/(LOSS) POSITION	REPORTED A GAIN	106	46.5	83.1%	77.0%	80.7%	84.1%	87.0%	89.7%	
	REPORTED A LOSS	45	15.5	92.7%	86.7%	88.7%	92.6%	97.8%	110.9%	

ADMINISTRATIVE LOSS RATIO: CY 2011 RESULTS

MCO GROUPING	CATEGORY	N	PERCENTILE							
			REVENUE (IN \$ BILLIONS)	MEAN	10TH	25TH	50TH	75TH	90TH	
COMPOSITE	COMPOSITE	151	62.0	12.1%	7.0%	9.2%	11.8%	14.5%	16.4%	
CMS REGION	REGION 1	9	3.1	7.7%	6.5%	8.6%	10.3%	11.1%	11.6%	
	REGION 2	13	8.0	10.3%	6.1%	8.2%	11.7%	12.4%	13.2%	
	REGION 3	20	10.8	11.3%	6.5%	9.1%	10.6%	13.9%	15.7%	
	REGION 4	29	13.4	13.2%	7.2%	10.5%	12.0%	15.0%	16.3%	
	REGION 5	43	15.9	13.4%	7.9%	9.9%	13.3%	15.4%	17.8%	
	REGION 6	18	6.7	13.1%	9.1%	11.2%	13.2%	15.0%	17.7%	
	REGION 7	8	1.8	9.6%	6.9%	7.8%	10.2%	11.8%	12.0%	
	REGION 8									
	REGION 9	5	1.0	9.2%	5.8%	7.1%	7.7%	9.6%	12.5%	
	REGION 10	6	1.5	12.6%	10.6%	12.2%	13.2%	14.0%	16.9%	
ANNUAL REVENUE	\$10 TO \$50 MILLION	12	0.4	11.9%	7.8%	9.5%	10.9%	13.4%	15.6%	
	\$50 TO \$100 MILLION	24	1.8	11.6%	6.6%	9.0%	11.8%	14.8%	16.5%	
	\$100 TO \$250 MILLION	45	7.3	12.1%	8.1%	9.4%	11.8%	14.6%	16.1%	
	MORE THAN \$250 MILLION	70	52.5	11.9%	6.6%	9.2%	12.0%	14.5%	16.2%	
REVENUE PMPM	\$0 TO \$225	56	13.7	10.9%	7.5%	9.0%	10.9%	13.9%	17.1%	
	\$225 TO \$300	49	23.1	12.6%	7.7%	10.4%	12.3%	14.7%	16.1%	
	MORE THAN \$300	46	25.2	12.3%	6.6%	9.1%	12.2%	14.6%	17.2%	
MCO TYPE	MEDICAID ONLY	61	31.3	13.1%	7.9%	10.3%	13.1%	15.2%	17.6%	
	MEDICAID OTHER	90	30.7	11.1%	6.7%	8.9%	11.2%	13.6%	15.8%	
MCO AFFILIATION TYPE	INDEPENDENT	33	9.5	10.4%	6.9%	8.3%	10.0%	12.1%	13.7%	
	AFFILIATED	118	52.5	12.4%	7.1%	9.9%	12.5%	15.0%	16.8%	
MCO FINANCIAL STRUCTURE	PROFIT	101	42.0	12.6%	7.7%	10.0%	12.5%	14.8%	16.8%	
	NONPROFIT	50	20.2	11.1%	6.3%	8.0%	11.1%	13.3%	15.3%	
PHARMACY INDICATOR	INCLUDED	87	37.5	11.3%	6.7%	9.1%	11.6%	14.6%	16.2%	
	EXCLUDED	64	24.5	13.4%	7.7%	9.2%	11.9%	14.2%	17.4%	
GAIN/(LOSS) POSITION	REPORTED A GAIN	106	46.5	12.7%	7.0%	9.2%	11.7%	14.5%	16.4%	
	REPORTED A LOSS	45	15.5	10.4%	7.1%	9.7%	12.2%	14.5%	16.2%	

UNDERWRITING RATIO: CY 2011 RESULTS

MCO GROUPING	CATEGORY	N	REVENUE		PERCENTILE				
			(IN \$ BILLIONS)	MEAN	10TH	25TH	50TH	75TH	90TH
COMPOSITE	COMPOSITE	151	62.0	2.4%	(8.2%)	(0.8%)	2.2%	4.6%	8.0%
CMS REGION	REGION 1	9	3.1	3.0%	(6.4%)	(1.8%)	3.7%	6.7%	11.4%
	REGION 2	13	8.0	2.4%	(0.8%)	0.0%	1.1%	2.8%	5.7%
	REGION 3	20	10.8	1.6%	(5.1%)	(1.1%)	2.5%	5.9%	8.5%
	REGION 4	29	13.4	3.0%	(14.2%)	(3.5%)	0.1%	4.6%	8.7%
	REGION 5	43	15.9	2.3%	(1.5%)	0.2%	1.5%	3.8%	6.3%
	REGION 6	18	6.7	2.6%	(0.8%)	2.0%	3.5%	5.5%	7.4%
	REGION 7	8	1.8	3.0%	(1.9%)	(0.2%)	4.2%	4.8%	9.8%
	REGION 8								
	REGION 9	5	1.0	0.1%	(23.0%)	(4.7%)	1.6%	3.4%	6.8%
	REGION 10	6	1.5	1.6%	(59.6%)	(31.1%)	0.9%	3.8%	4.3%
ANNUAL REVENUE	\$10 TO \$50 MILLION	12	0.4	(5.6%)	(0.4%)	1.3%	2.7%	6.8%	(0.4%)
	\$50 TO \$100 MILLION	24	1.8	(1.8%)	(5.7%)	0.6%	2.4%	4.3%	(5.7%)
	\$100 TO \$250 MILLION	45	7.3	2.2%	(0.3%)	3.1%	4.9%	8.3%	(0.3%)
	MORE THAN \$250 MILLION	70	52.5	2.6%	(0.6%)	2.8%	5.3%	8.2%	(0.6%)
REVENUE PMPM	\$0 TO \$225	56	13.7	2.4%	(5.5%)	(0.5%)	2.7%	4.9%	8.1%
	\$225 TO \$300	49	23.1	2.9%	(3.4%)	0.2%	2.3%	4.0%	7.0%
	MORE THAN \$300	46	25.2	1.9%	(11.9%)	(2.7%)	1.3%	4.4%	8.3%
MCO TYPE	MEDICAID ONLY	61	31.3	3.1%	(2.2%)	(0.2%)	3.0%	5.0%	8.5%
	MEDICAID OTHER	90	30.7	1.7%	(9.9%)	(1.4%)	1.9%	4.4%	7.5%
MCO AFFILIATION TYPE	INDEPENDENT	33	9.5	2.3%	(3.0%)	(0.3%)	2.2%	4.1%	7.7%
	AFFILIATED	118	52.5	2.4%	(8.9%)	(0.8%)	2.2%	4.7%	8.2%
MCO FINANCIAL STRUCTURE	PROFIT	101	42.0	2.6%	(8.0%)	(0.8%)	2.5%	5.2%	9.3%
	NONPROFIT	50	20.2	1.9%	(13.9%)	(0.9%)	1.6%	3.7%	5.8%
PHARMACY INDICATOR	INCLUDED	87	37.5	1.6%	(9.6%)	(2.0%)	1.3%	4.0%	7.7%
	EXCLUDED	64	24.5	3.6%	(3.1%)	0.6%	3.4%	5.1%	8.3%
GAIN/(LOSS) POSITION	REPORTED A GAIN	106	46.5	4.3%	0.7%	2.0%	3.6%	6.0%	9.4%
	REPORTED A LOSS	45	15.5	(3.1%)	(24.6%)	(10.0%)	(2.3%)	(1.5%)	(0.6%)

RISK-BASED CAPITAL RATIO: CY 2011 RESULTS

MCO GROUPING	CATEGORY	N	REVENUE (IN \$ BILLIONS)		PERCENTILE					
			MEAN		10TH	25TH	50TH	75TH	90TH	
COMPOSITE	COMPOSITE	151	62.0	515%	250%	335%	452%	589%	801%	
CMS REGION	REGION 1	9	3.1	455%	312%	333%	367%	508%	730%	
	REGION 2	13	8.0	601%	186%	334%	540%	665%	889%	
	REGION 3	20	10.8	436%	301%	345%	450%	559%	642%	
	REGION 4	29	13.4	410%	164%	254%	353%	500%	855%	
	REGION 5	43	15.9	489%	281%	326%	455%	548%	690%	
	REGION 6	18	6.7	504%	310%	383%	490%	664%	845%	
	REGION 7	8	1.8	461%	341%	377%	459%	538%	580%	
	REGION 8									
	REGION 9	5	1.0	591%	506%	544%	595%	698%	768%	
	REGION 10	6	1.5	787%	440%	513%	543%	962%	1113%	
ANNUAL REVENUE	\$10 TO \$50 MILLION	12	0.4	586%	168%	283%	330%	674%	1128%	
	\$50 TO \$100 MILLION	24	1.8	655%	265%	335%	464%	675%	967%	
	\$100 TO \$250 MILLION	45	7.3	567%	269%	373%	494%	630%	764%	
	MORE THAN \$250 MILLION	70	52.5	477%	262%	331%	435%	545%	675%	
REVENUE PMPM	\$0 TO \$225	56	13.7	532%	280%	347%	487%	605%	897%	
	\$225 TO \$300	49	23.1	495%	182%	304%	407%	567%	798%	
	MORE THAN \$300	46	25.2	520%	291%	343%	443%	586%	765%	
MCO TYPE	MEDICAID ONLY	61	31.3	396%	252%	325%	436%	520%	625%	
	MEDICAID OTHER	90	30.7	553%	245%	340%	483%	661%	910%	
MCO AFFILIATION TYPE	INDEPENDENT	33	9.5	522%	195%	285%	403%	604%	847%	
	AFFILIATED	118	52.5	514%	266%	344%	461%	576%	802%	
MCO FINANCIAL STRUCTURE	PROFIT	101	42.0	427%	222%	327%	404%	549%	736%	
	NONPROFIT	50	20.2	620%	292%	400%	532%	670%	934%	
PHARMACY INDICATOR	INCLUDED	87	37.5	502%	215%	314%	436%	565%	855%	
	EXCLUDED	64	24.5	531%	293%	354%	467%	597%	734%	
GAIN/(LOSS) POSITION	REPORTED A GAIN	106	46.5	508%	285%	355%	492%	595%	785%	
	REPORTED A LOSS	45	15.5	528%	206%	286%	354%	539%	883%	

APPENDIX 3

MCO GROUPING ASSUMPTIONS: 2011

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
CONNECTICUT	AETNA BETTER HEALTH INC. (CONNECTICUT)	REGION 1	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
CONNECTICUT	AMERICHoice OF CONNECTICUT INC.	REGION 1	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
DISTRICT OF COLUMBIA	DC CHARTERED HEALTH PLAN INC.	REGION 3	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - YES	LOSS
DISTRICT OF COLUMBIA	UNITEDHEALTHCARE COMMUNITY (WASHINGTON, D.C.)	REGION 3	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	AMERIGROUP FLORIDA INC.	REGION 4	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	COVENTRY HEALTH CARE OF FLORIDA INC.	REGION 4	\$ 50-100 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	COVENTRY HEALTH PLAN OF FLORIDA INC.	REGION 4	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	HEALTHSEAS OF FLORIDA INC.	REGION 4	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
FLORIDA	HEALTHY PALM BEACHES INC.	REGION 4	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	GAIN
FLORIDA	HUMANA MEDICAL PLAN INC.	REGION 4	\$ 100-250 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	MEDICA HEALTH PLANS OF FLORIDA INC.	REGION 4	\$ 10-50 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
FLORIDA	MOLINA HEALTHCARE OF FLORIDA INC.	REGION 4	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	PREFERRED MEDICAL PLAN INC.	REGION 4	\$ 10-50 MILLION	\$ 225-300	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - YES	GAIN
FLORIDA	SUNSHINE STATE HEALTH PLAN INC.	REGION 4	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	UNITEDHEALTHCARE OF FLORIDA INC.	REGION 4	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
FLORIDA	UNIVERSAL HEALTH CARE INC.	REGION 4	\$ 100-250 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
FLORIDA	WELLCARE OF FLORIDA INC.	REGION 4	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
GEORGIA	AMGP GEORGIA MANAGED CARE CO.	REGION 4	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
GEORGIA	PEACH STATE HEALTH PLAN INC.	REGION 4	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
GEORGIA	WELLCARE OF GEORGIA INC.	REGION 4	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
HAWAII	ALOHACARE	REGION 9	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	INDEPENDENT	NON-PROFIT	RX - YES	GAIN
HAWAII	HAWAII MEDICAL SERVICE ASSN.	REGION 9	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	LOSS

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
HAWAII	KAISER FOUNDATION HEALTH PLAN INC. (HAWAII)	REGION 9	\$ 50-100 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
ILLINOIS	HARMONY HEALTH PLANS OF ILLINOIS INC.	REGION 5	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
INDIANA	ANTHEM INSURANCE COMPANIES INC.	REGION 5	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	LOSS
INDIANA	COORDINATED CARE CORP.	REGION 5	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
INDIANA	MDWISE INC.	REGION 5	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - NO	GAIN
KANSAS	UNICARE HEALTH PLAN OF KS INC.	REGION 7	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
KENTUCKY	COVENTRY HEALTH & LIFE INSURANCE CO.	REGION 4	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
KENTUCKY	KENTUCKY SPIRIT HEALTH PLAN INC.	REGION 4	\$ 100-250 MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
KENTUCKY	WELLCARE HEALTH INSURANCE OF ILLINOIS INC.	REGION 4	\$ 50-100 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
KENTUCKY	UNIVERSITY HEALTH CARE INC.	REGION 4	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	LOSS
MARYLAND	AMERIGROUP MARYLAND INC.	REGION 3	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
MARYLAND	COVENTRY HEALTH CARE OF DELAWARE INC.	REGION 3	\$ 50-100 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
MARYLAND	UNITEDHEALTHCARE	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
MASSACHUSETTS	BOSTON MED CENTER HEALTH PLAN	REGION 1	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	GAIN
MASSACHUSETTS	FALLON COMMUNITY HEALTH PLAN INC.	REGION 1	\$ 50-100 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
MASSACHUSETTS	HEALTH NEW ENGLAND INC.	REGION 1	\$ 10-50 MILLION	\$ 300+	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - YES	GAIN
MASSACHUSETTS	NEIGHBORHOOD HEALTH PLAN INC.	REGION 1	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	LOSS
MASSACHUSETTS	NETWORK HEALTH LLC	REGION 1	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
MICHIGAN	BLUECAID OF MICHIGAN	REGION 5	\$ 50-100 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MICHIGAN	CARESOURCE MICHIGAN	REGION 5	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MICHIGAN	HEALTHPLUS PARTNERS INC.	REGION 5	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	LOSS
MICHIGAN	MCLAREN HEALTH PLAN INC.	REGION 5	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MICHIGAN	MERIDIAN HEALTH PLAN OF MICHIGAN INC.	REGION 5	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
MICHIGAN	MIDWEST HEALTH PLAN INC.	REGION 5	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	INDEPENDENT	PROFIT	RX - YES	GAIN

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
MICHIGAN	MOLINA HEALTHCARE OF MICHIGAN INC.	REGION 5	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
MICHIGAN	OMNICARE HEALTH PLAN INC.	REGION 5	\$ 100-250 MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
MICHIGAN	PHP FAMILYCARE	REGION 5	\$ 50-100 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	LOSS
MICHIGAN	PRIORITY HEALTH GOVERNMENT PROGRAMS INC.	REGION 5	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MICHIGAN	TOTAL HEALTH CARE INC.	REGION 5	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MICHIGAN	UNITEDHEALTHCARE COMMUNITY PLAN	REGION 5	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
MICHIGAN	UPPER PENINSULA HEALTH PLAN INC.	REGION 5	\$ 50-100 MILLION	\$ 225-300	MEDICAID ONLY	INDEPENDENT	PROFIT	RX - YES	GAIN
MINNESOTA	HEALTHPARTNERS INC.	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MINNESOTA	HMO MINNESOTA	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
MINNESOTA	MEDICA HEALTH PLANS	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
MINNESOTA	UCARE MINNESOTA	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	GAIN
MISSISSIPPI	MAGNOLIA HEALTH PLAN INC.	REGION 4	\$ 100-250 MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
MISSISSIPPI	UNITEDHEALTHCARE OF MS INC.	REGION 4	\$ 100-250 MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
MISSOURI	ALLIANCE FOR COMMUNITY HEALTH LLC	REGION 7	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
MISSOURI	BLUE ADVANTAGE PLUS OF KS CITY	REGION 7	\$ 50-100 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
MISSOURI	CHILDREN'S MERCY'S FAMILY HEALTH	REGION 7	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
MISSOURI	HEALTHCARE USA OF MISSOURI LLC	REGION 7	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
MISSOURI	MISSOURI CARE INC.	REGION 7	\$ 100-250 MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	LOSS
NEBRASKA	COVENTRY HEALTH CARE OF NE INC.	REGION 7	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
NEBRASKA	UNITEDHEALTHCARE (MIDLANDS)	REGION 7	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
NEVADA	AMERIGROUP NEVADA INC.	REGION 9	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
NEVADA	HEALTH PLAN OF NEVADA INC.	REGION 9	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
NEW JERSEY	AMERICHOICE OF NEW JERSEY INC.	REGION 2	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
NEW JERSEY	AMERIGROUP NEW JERSEY INC.	REGION 2	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
NEW JERSEY	HEALTHFIRST HEALTH PLAN OF NEW JERSEY	REGION 2	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	LOSS
NEW JERSEY	HORIZON HEALTHCARE OF NEW JERSEY INC.	REGION 2	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	GAIN
NEW MEXICO	HCSC INSURANCE SERVICES CO.	REGION 6	\$ 50-100 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
NEW MEXICO	LOVELACE HEALTH SYSTEM INC.	REGION 6	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
NEW MEXICO	MOLINA HEALTHCARE OF NEW MEXICO INC.	REGION 6	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
NEW MEXICO	PRESBYTERIAN HEALTH PLAN INC.	REGION 6	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	GAIN
NEW YORK	CAP DISTRICT PHYSICIANS' HEALTH	REGION 2	\$ 100-250 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - NO	GAIN
NEW YORK	EXCELLUS HEALTH PLAN INC.	REGION 2	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - NO	GAIN
NEW YORK	HEALTH INS PLAN OF GREATER NEW YORK	REGION 2	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - NO	GAIN
NEW YORK	HEALTHNOW NEW YORK INC.	REGION 2	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	LOSS
NEW YORK	INDEPENDENT HEALTH ASSN.	REGION 2	\$ 100-250 MILLION	\$ 225-300	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	LOSS
NEW YORK	MVP HEALTH PLAN INC.	REGION 2	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - NO	GAIN
NEW YORK	UNITEDHEALTHCARE OF NEW YORK INC.	REGION 2	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
OHIO	AMERIGROUP OHIO INC.	REGION 5	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
OHIO	BUCKEYE COMMUNITY HEALTH PLAN INC.	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
OHIO	CARESOURCE	REGION 5	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - NO	GAIN
OHIO	MOLINA HEALTHCARE OF OHIO INC.	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
OHIO	PARAMOUNT ADVANTAGE	REGION 5	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - NO	GAIN
OHIO	UNITEDHEALTHCARE COMMUNITY (OHIO)	REGION 5	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
OHIO	WELLCARE OF OHIO INC.	REGION 5	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
OREGON	KAISER FOUNDATION HEALTH PLAN OF THE NORTHWEST	REGION 10	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
PENNSYLVANIA	AETNA BETTER HEALTH INC. (PENNSYLVANIA)	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
PENNSYLVANIA	GATEWAY HEALTH PLAN INC.	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
PENNSYLVANIA	HEALTH PARTNERS OF PHILADELPHIA	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	INDEPENDENT	NON-PROFIT	RX - YES	GAIN

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
PENNSYLVANIA	HEALTHAMERICA PENNSYLVANIA INC.	REGION 3	\$ 50-100 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	LOSS
PENNSYLVANIA	UNITEDHEALTHCARE OF PENNSYLVANIA INC.	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
PENNSYLVANIA	UPMC FOR YOU INC.	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	NON-PROFIT	RX - YES	GAIN
PENNSYLVANIA	VISTA HEALTH PLAN (PENNSYLVANIA)	REGION 3	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
PUERTO RICO	HUMANA HEALTH PLANS OF PR INC.	REGION 2	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
PUERTO RICO	MCS HEALTH MANAGEMENT OPTIONS INC.	REGION 2	\$ 250+ MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
RHODE ISLAND	NEIGHBORHOOD HEALTH PLAN OF RHODE ISLAND	REGION 1	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	INDEPENDENT	NON-PROFIT	RX - YES	GAIN
RHODE ISLAND	UNITEDHEALTHCARE (NEW ENGLAND)	REGION 1	\$ 100-250 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
SOUTH CAROLINA	ABSOLUTE TOTAL CARE INC.	REGION 4	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
SOUTH CAROLINA	BLUECHOICE HEALTHPLAN OF SOUTH CAROLINA	REGION 4	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
SOUTH CAROLINA	SELECT HEALTH OF SOUTH CAROLINA INC.	REGION 4	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
SOUTH CAROLINA	UNITEDHEALTHCARE OF SOUTH CAROLINA INC.	REGION 4	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	LOSS
TENNESSEE	AMERIGROUP TENNESSEE INC.	REGION 4	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
TENNESSEE	UNITEDHEALTHCARE PLAN	REGION 4	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
TENNESSEE	VOLUNTEER STATE HEALTH PLAN INC.	REGION 4	\$ 250+ MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
TEXAS	AETNA HEALTH INC. (A TEXAS CORPORATION)	REGION 6	\$ 100-250 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
TEXAS	AMERIGROUP TEXAS INC.	REGION 6	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
TEXAS	COMMUNITY FIRST HEALTH PLANS INC.	REGION 6	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - NO	GAIN
TEXAS	COMMUNITY HEALTH CHOICE INC.	REGION 6	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
TEXAS	COOK CHILDREN'S HEALTH PLAN	REGION 6	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
TEXAS	DRISCOLL CHILDREN'S HEALTH PLAN	REGION 6	\$ 100-250 MILLION	\$ 225-300	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
TEXAS	EL PASO FIRST HEALTH PLANS INC.	REGION 6	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
TEXAS	MOLINA HEALTHCARE OF TEXAS INC.	REGION 6	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	LOSS
TEXAS	PARKLAND COMMUNITY HEALTH PLAN INC.	REGION 6	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
TEXAS	SHA L.L.C.	REGION 6	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
TEXAS	SUPERIOR HEALTHPLAN INC.	REGION 6	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	LOSS
TEXAS	TEXAS CHILDREN'S HEALTH PLAN INC.	REGION 6	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
TEXAS	UNICARE HEALTH PLANS OF TX INC.	REGION 6	\$ 10-50 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
TEXAS	UNITEDHEALTHCARE COMMUNITY PLAN	REGION 6	\$ 250+ MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
VIRGINIA	AMERIGROUP VIRGINIA INC.	REGION 3	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - YES	GAIN
VIRGINIA	HEALTHKEEPERS INC.	REGION 3	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
VIRGINIA	OPTIMA HEALTH PLAN	REGION 3	\$ 250+ MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	GAIN
VIRGINIA	SOUTHERN HEALTH SERVICES INC.	REGION 3	\$ 50-100 MILLION	\$ 225-300	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
VIRGINIA	VIRGINIA PREMIER HEALTH PLAN INC.	REGION 3	\$ 250+ MILLION	\$ 225-300	MEDICAID ONLY	INDEPENDENT	PROFIT	RX - YES	GAIN
WASHINGTON	COLUMBIA UNITED PROVIDERS INC.	REGION 10	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - YES	GAIN
WASHINGTON	COMMUNITY HEALTH PLAN OF WASHINGTON	REGION 10	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - YES	GAIN
WASHINGTON	GROUP HEALTH COOPERATIVE	REGION 10	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
WASHINGTON	MOLINA HEALTHCARE OF WASHINGTON INC.	REGION 10	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - YES	GAIN
WASHINGTON	REGENCE BLUESHIELD	REGION 10	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - YES	LOSS
WEST VIRGINIA	CARELINK HEALTH PLANS INC.	REGION 3	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
WEST VIRGINIA	HEALTH PLAN OF THE UPPER OHIO VALLEY	REGION 3	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	NON-PROFIT	RX - NO	GAIN
WEST VIRGINIA	UNICARE HEALTH PLAN OF WEST VIRGINIA INC.	REGION 3	\$ 100-250 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	CHILDREN'S COMMUNITY HEALTH PLAN INC.	REGION 5	\$ 50-100 MILLION	\$ 0-225	MEDICAID ONLY	INDEPENDENT	NON-PROFIT	RX - NO	LOSS
WISCONSIN	COMPCARE HEALTH SERVICES INSURANCE CORP.	REGION 5	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	DEAN HEALTH PLAN INC.	REGION 5	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	GROUP HEALTH CO-OP OF EAU CLAIRE	REGION 5	\$ 50-100 MILLION	\$ 225-300	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
WISCONSIN	GUNDERSEN LUTHERAN HEALTH PLAN	REGION 5	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	LOSS
WISCONSIN	HEALTH TRADITION HEALTH PLAN	REGION 5	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - NO	GAIN

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS
WISCONSIN	INDEPENDENT CARE HEALTH PLAN	REGION 5	\$ 50-100 MILLION	\$ 300+	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	MANAGED HEALTH SERVICES INSURANCE CORP.	REGION 5	\$ 100-250 MILLION	\$ 300+	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	MERCYCARE HMO INC.	REGION 5	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	MOLINA HEALTHCARE OF WISCONSIN INC.	REGION 5	\$ 50-100 MILLION	\$ 0-225	MEDICAID ONLY	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	NETWORK HEALTH PLAN	REGION 5	\$ 50-100 MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	GAIN
WISCONSIN	PHYSICIANS PLUS INSURANCE CORP.	REGION 5	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - NO	LOSS
WISCONSIN	SECURITY HEALTH PLAN OF WISCONSIN INC.	REGION 5	\$ 100-250 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	NON-PROFIT	RX - NO	GAIN
WISCONSIN	UNITEDHEALTHCARE OF WISCONSIN INC.	REGION 5	\$ 250+ MILLION	\$ 0-225	MEDICAID OTHER	AFFILIATED	PROFIT	RX - NO	LOSS
WISCONSIN	UNITY HEALTH PLANS INSURANCE CORP.	REGION 5	\$ 10-50 MILLION	\$ 0-225	MEDICAID OTHER	INDEPENDENT	PROFIT	RX - NO	GAIN

Note: The states of New York and Ohio carved in pharmacy coverage at the end of calendar year 2011. These states will shift to Rx=Yes for 2012.



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