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Medicaid risk-based managed care: Analysis of financial results for 2014



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INTRODUCTION

Risk-based managed care is the platform from which Medicaid recipients receive healthcare benefits, at least in part, in more than 37 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. Since the inception of the Patient Protection and Affordable Care Act (ACA) in 2010, and subsequent Medicaid expansion efforts in several states, the number of Medicaid beneficiaries as well as the number of MCOs operating in the Medicaid line of business has increased substantially.

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) 2014 experience for selected financial metrics of organizations reporting Medicaid experience under the Title XIX Medicaid line of business on the NAIC annual statement. The information was compiled from the reported annual statements.¹ Companies may be excluded from this report for the following reasons:

- If they did not submit an annual statement
- If they have reported less than \$10 million in annual Medicaid (Title XIX) revenue
- If they are a specialized behavioral health or community care plan
- If premium revenues indicate a limited set of covered services
- If they are omitted from the NAIC database of annual statements utilized for this report.

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.

This report has been routinely updated on an annual basis. This is the seventh version of the report, reflecting financial information for CY 2014. 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.

This report summarizes the calendar year (CY) 2014 experience for selected financial metrics of organizations reporting Medicaid experience under the Title XIX Medicaid line of business on the NAIC annual statement. The information was compiled from the reported annual statements.

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

SUMMARY OF RESULTS

The CY 2014 annual statements for 37 states and territories comprising 182 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 focused or Medicaid other), affiliation type of MCO (independent or affiliated), MCO financial structure, pharmacy indicator, operating in a Medicaid expansion state, 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 2014 financial results for the 182 companies meeting the criteria selected for this study. The companies represent experience from 37 states with over \$110 billion in annual revenue.

FIGURE 1: COMPOSITE CY 2014 FINANCIAL RESULTS

FINANCIAL METRIC	COMPOSITE MEAN	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE
MEDICAL LOSS RATIO (MLR)	86.0%	81.8%	86.5%	90.8%
ADMINISTRATIVE LOSS RATIO (ALR)	11.9%	9.1%	12.1%	14.6%
UW RATIO	2.1%	(2.3%)	1.9%	5.2%
RBC RATIO	426%	299%	395%	512%

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 criteria used to select the companies are consistent from year to year.

FIGURE 2: COMPOSITE FINANCIAL RESULTS

FINANCIAL METRIC	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014
NUMBER OF COMPANIES	150	151	162	167	182
MEDICAID REVENUE (IN \$ BILLIONS)	\$54.6	\$62.0	\$73.8	\$83.6	\$110.6
MEMBER MONTHS (IN MILLIONS)	218	230	249	262	311
MEDICAL LOSS RATIO (MLR)	85.3%	85.5%	87.9%	87.4%	86.0%
ADMINISTRATIVE LOSS RATIO (ALR)	12.1%	12.1%	11.4%	11.5%	11.9%
UW Ratio	2.6%	2.4%	0.7%	1.2%	2.1%
RBC Ratio	511%	515%	491%	468%	426%

1. Values have been rounded.

The CY 2014 annual statements for 37 states and territories comprising 182 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.

The results illustrated in Figure 2 indicate that, in aggregate, the financial gains reported by the MCOs in this report have increased over the past two calendar years. Additionally, the amount of capital maintained by the MCOs (measured using the RBC Ratio) has steadily decreased over the past four years. With the introduction of several Medicaid expansion programs in 2014, the revenue and enrollment reflected in this report have increased significantly from CY 2013, at 32.2% and 18.7% respectively. An additional source of revenue that impacted CY 2014, and will continue to affect future years, is the reporting of funds received to pay the ACA-required health insurer assessment fee. The timing of receipt and reporting of the health insurer assessment fee amounts by the MCOs in this report, and potential corporate income tax gross-ups, vary across states and reporting entities. As such we have not made any adjustments to the values in this report to account for these items. It is likely that this has caused a material increase in the reported revenues and the administrative expenses.

In aggregate, the financial gains reported by the MCOs in this report have increased over the past two calendar years. Additionally, the amount of capital maintained by the MCOs (measured using the RBC Ratio) has steadily decreased over the past four years.

FINANCIAL METRICS

The financial metrics calculated for purposes of this report 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.

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 revenue in the denominator.

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

MLR =	<u>Total Hospital and Medical Expenses + Increase in Reserves for A&H Contracts</u> 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. This would also include amounts related to the health insurer assessment fee and applicable income tax gross-ups. 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 provisions in the Patient Protection and Affordable Care Act (ACA) for minimum loss ratios for commercial plans. The National Association of Insurance Commissioners (NAIC) allows for the reduction of taxes, licensing, and regulatory fees from the revenue as well as the addition of quality improvement expenditures to the hospital and medical expenses in the numerator. These items could increase the MLR percentage.

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 revenue in the denominator.

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.

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

ALR =	<u>Claim Adjustment Expenses + General Administrative Expenses</u> 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. This would also include amounts related to the health insurer assessment fee and applicable income tax gross-ups. 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, most notably impacted by the state and federal taxes levied on MCOs across the different states. The methodologies utilized to allocate administrative expenses across lines of business by non-Medicaid-focused MCOs may have an impact on the ALR.

Underwriting ratio

The underwriting ratio (UW Ratio) is the sum of the MLR and the ALR subtracted from 100%. A positive UW Ratio indicates a financial 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 revenue in the denominator.

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

UW Ratio =	<u>Net Underwriting Gain or (Loss)</u> 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. This would also include amounts related to the health insurer assessment fee and applicable income tax gross-ups. 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 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 is less than 70% of the ACL RBC)

Further details and discussion of the RBC requirements may be found at the NAIC website (<http://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.28, L.14, C.1) Authorized Control Level: Authorized Control Level—Current Year (P.28, 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 and limited service plans, were retained and categorized using certain key attributes. The attributes included the CMS region, state of domicile, annual Medicaid revenue, Medicaid revenue PMPM, type of MCO (Medicaid focused or Medicaid other), affiliation type of MCO (independent or affiliated), MCO financial structure, pharmacy indicator, operating in a Medicaid expansion state, 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 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 is correlated with 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 the CMS regional definitions illustrated in Appendix 1 of this report. These definitions were taken from the CMS website (<http://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 states of California and Arizona (with the exception of one that filed an NAIC statement) are not included in this report, which is due to the lack of consistency in reporting and separate identifications of Medicaid experience on the financial statement pages.

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 is correlated with the geographic area in which the MCO is operating.

FIGURE 3: CMS REGION

CMS REGION	N	MLR	ALR	UW RATIO	RBC RATIO
REGION 1	10	93.3%	7.5%	(0.8%)	333%
REGION 2	13	84.4%	12.4%	3.3%	497%
REGION 3	22	87.1%	10.6%	2.3%	402%
REGION 4	34	85.6%	11.6%	2.8%	360%
REGION 5	49	84.1%	12.9%	2.9%	478%
REGION 6	25	84.5%	13.8%	1.6%	418%
REGION 7	10	93.1%	9.7%	(2.8%)	403%
REGION 8	5	89.7%	8.1%	2.3%	544%
REGION 9	7	86.4%	10.6%	3.0%	393%
REGION 10	7	87.6%	12.8%	(0.3%)	466%

MCOs operating in Regions 1 and 7 have had some of the highest reported MLRs and lowest UW Ratios over the past two calendar years.

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, intrastate 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. For a limited number of health plans, the state of domicile was manually adjusted to represent the state where the Medicaid business is currently operated.

FIGURE 4: STATE OF DOMICILE

STATE OF DOMICILE	N	MLR	ALR	UW RATIO	RBC RATIO
ARIZONA	1	89.9%	8.3%	1.8%	243%
COLORADO	1	92.4%	5.4%	2.2%	478%
DISTRICT OF COLUMBIA	2	79.1%	15.7%	5.2%	303%
FLORIDA	14	96.4%	10.5%	(6.9%)	218%
GEORGIA	3	82.7%	14.8%	2.5%	316%
HAWAII	4	90.4%	10.1%	(0.4%)	411%
IOWA	1	95.1%	9.7%	(4.9%)	223%
ILLINOIS	8	88.8%	9.2%	1.9%	371%
INDIANA	2	80.8%	16.5%	2.7%	452%
KANSAS	3	97.3%	8.4%	(5.7%)	365%
KENTUCKY	6	81.7%	7.8%	10.6%	441%
LOUISIANA	3	85.7%	14.7%	(0.5%)	344%
MARYLAND	4	85.5%	9.8%	4.8%	292%
MASSACHUSETTS	6	95.0%	6.9%	(1.9%)	317%
MICHIGAN	13	83.7%	13.5%	2.8%	334%
MINNESOTA	5	89.5%	7.2%	3.3%	695%
MISSISSIPPI	2	86.7%	13.5%	(0.2%)	371%
MISSOURI	3	88.8%	10.8%	0.3%	535%
NORTH DAKOTA	1	98.8%	1.4%	(0.2%)	210%
NEBRASKA	3	82.7%	13.2%	4.1%	417%
NEVADA	2	77.6%	13.3%	9.1%	436%
NEW HAMPSHIRE	2	91.3%	13.3%	(4.6%)	295%
NEW JERSEY	5	83.3%	12.3%	4.4%	436%
NEW MEXICO	4	80.7%	16.7%	2.6%	581%

NEW YORK	8	85.6%	12.4%	2.0%	515%
OHIO	6	81.9%	15.3%	2.8%	416%
OREGON	2	79.3%	11.4%	9.3%	343%
PENNSYLVANIA	7	88.4%	11.5%	0.1%	378%
RHODE ISLAND	2	88.0%	8.5%	3.5%	409%
SOUTH CAROLINA	6	86.0%	10.6%	3.4%	511%
TENNESSEE	3	77.6%	14.9%	7.5%	524%
TEXAS	18	85.5%	12.9%	1.6%	386%
UTAH	3	87.1%	10.0%	2.9%	600%
VIRGINIA	6	88.8%	8.4%	2.9%	462%
WASHINGTON	5	88.7%	12.9%	(1.6%)	485%
WEST VIRGINIA	3	77.1%	8.7%	14.1%	779%
WISCONSIN	15	81.1%	13.6%	5.2%	428%

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 \$150 MILLION	51	87.1%	12.3%	0.6%	437%
\$150 TO \$400 MILLION	47	86.7%	12.1%	1.2%	457%
\$400 MILLION TO \$1 BILLION	46	86.0%	11.8%	2.1%	468%
MORE THAN \$1 BILLION	38	85.7%	11.9%	2.4%	381%

The results shown in Figure 5 indicate that companies with smaller revenue have observed smaller gains. This is slightly different from the previous year, but consistent with experience from 2012 and prior.

Medicaid revenue PMPM

Within Medicaid, there are various population types that observe significantly different claim costs. For example, the average claims per member per month (PMPM) for a typical Temporary Assistance for Needy Families (TANF) population is expected to be significantly less than for a disabled population. The segmentation of population was not available in the data used in this report. As such, the revenue 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. The trend in states transitioning certain long-term care services into managed care may have applied upward pressure on the revenue PMPMs observed across the plans included in this report.

FIGURE 6: MEDICAID REVENUE PMPM

MEDICAID REVENUE PMPM	N	MLR	ALR	UW RATIO	RBC RATIO
LESS THAN \$275	69	86.8%	12.1%	1.1%	387%
\$275 TO \$400	57	83.9%	12.8%	3.3%	443%
MORE THAN \$400	56	87.5%	10.9%	1.5%	441%

The results in Figure 6 indicate that the underwriting gains for MCOs in the range of \$275 to \$400 revenue PMPM were more than double that of the plans in the other ranges.

Type of MCO (Medicaid focused or Medicaid other)

MCOs participating in Medicaid managed care programs may be a "Medicaid focused" plan or may participate in programs other than Medicaid. The purpose of this segmentation is to review the results of plans that are predominantly serving Medicaid populations as opposed to a more diverse product offering. Please note that the revenue amounts not listed under the Title XIX Medicaid line of business are considered non-Medicaid for purposes of this report. To the extent that Children Health Insurance Program (CHIP) costs are reported in a line of business other than Medicaid, a plan may be categorized as "Medicaid other."

"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 FOCUSED	80	85.2%	12.3%	2.5%	390%
MEDICAID OTHER	102	86.8%	11.5%	1.7%	441%

The results in Figure 7 indicate that the ALR for plans that are Medicaid other is lower than those for the Medicaid focused plans. This observation could be due to the ability of plans that operate other lines of business to spread fixed costs across all business segments and lower the expenses allocated specifically to the Medicaid line of business. This did not, however, result in higher underwriting gains.

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 focused and Medicaid other MCOs in that a Medicaid focused 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 its 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	38	90.1%	9.3%	0.6%	414%
AFFILIATED	144	85.4%	12.3%	2.3%	428%

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

MCO financial structure (profit or 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 nonprofit MCOs.

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

FIGURE 9: MCO FINANCIAL STRUCTURE

FINANCIAL STRUCTURE	N	MLR	ALR	UW RATIO	RBC RATIO
FOR-PROFIT	122	84.7%	12.7%	2.6%	404%
NONPROFIT	60	88.5%	10.2%	1.2%	457%

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

The results shown in Figure 9 indicate that the for-profit companies exhibit a higher ALR compared with the nonprofit and produced underwriting gains more than double that of the nonprofit organizations.

Pharmacy indicator

Pharmacy benefits typically make up 20% to 25% 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.

Financial results of programs with or without pharmacy benefits in the capitation rates are reported because of 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	153	86.4%	11.8%	1.9%	423%
PHARMACY EXCLUDED	29	83.1%	12.9%	4.0%	451%

As indicated in Figure 10, the resulting mean values vary for MCOs that include pharmacy as compared to MCOs 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.

Medicaid expansion states

The ACA provided states with the ability to expand coverage under Medicaid beginning in 2014. During calendar year 2014 we identified 26 states plus the District of Columbia that expanded Medicaid coverage. We have summarized the financial metrics for MCOs operating in states that expanded Medicaid coverage versus those that did not (as of December 31, 2014). Although there is a slight difference in the MLR and ALR values, the UW gains were higher for MCOs with Medicaid business in states where Medicaid expansion occurred. Also of note is that despite the expansion of Medicaid coverage in 2014, the enrollees may not be completely enrolled in managed care on December 31.

The resulting mean values vary for MCOs that include pharmacy as compared to MCOs 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.

FIGURE 11: STATE MEDICAID EXPANSION					
STATE EXPANSION/NO EXPANSION	N	MLR	ALR	UW RATIO	RBC RATIO
EXPANSION STATE	82	85.3%	11.7%	3.0%	460%
NON-EXPANSION STATE	100	86.6%	12.1%	1.3%	385%

As this may not be a causal relationship, it illustrates the difference in plan performance in managed care where states have opted to expand the Medicaid program under the ACA.

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 12: MCO GAIN/LOSS

MCO GAIN / (LOSS)	N	MLR	ALR	UW RATIO	RBC RATIO
REPORTED A GAIN	111	83.6%	11.8%	4.7%	455%
REPORTED A LOSS	71	92.1%	12.3%	(4.3%)	383%

As observed in Figure 12, the mean values of the MLRs appear to be the primary drivers of the resulting gain or loss positions. The ALR mean values are lower, on average, among MCOs that reported a gain compared with those that reported a loss.

The mean values of the MLRs appear to be the primary drivers of the resulting gain or loss positions. The ALR mean values are lower, on average, among MCOs that reported a gain compared with those that reported a loss.

CONCLUSION

Risk-based managed care represents a large portion of total Medicaid expenditures for CY 2014 and the amount of expenditures will continue to grow as Medicaid expansion programs trend to ultimate enrollment numbers and states continue to transition members out of fee-for-service environments. MCOs are an integral part of this delivery system and their financial results will help us understand the continued 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 pose new challenges.

MCOs are an integral part of this delivery system and their financial results will help us understand the continued sustainability of risk-based managed care.

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 May 21, 2015, 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 annual statement submissions or their exclusions from the online database. For example, California and Arizona are known to operate managed care programs, but are not included in this report (with the exception of one program, which filed an NAIC statement) because there were no annual statements found in the online database for them.

The information was relied upon as reported and without audit. We performed a limited review of the data for reasonableness and consistency. To the extent that the data reported contained material errors or omissions, the values contained within this report would likewise contain similar reporting errors.

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The views expressed in this research paper are made by the authors and do not represent the opinions of Milliman, Inc. Other Milliman consultants may hold different views.

QUALIFICATIONS

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

ABOUT THE AUTHORS

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. Mr. Palmer joined Milliman in 2004 and currently has over 19 years of healthcare-related actuarial experience.

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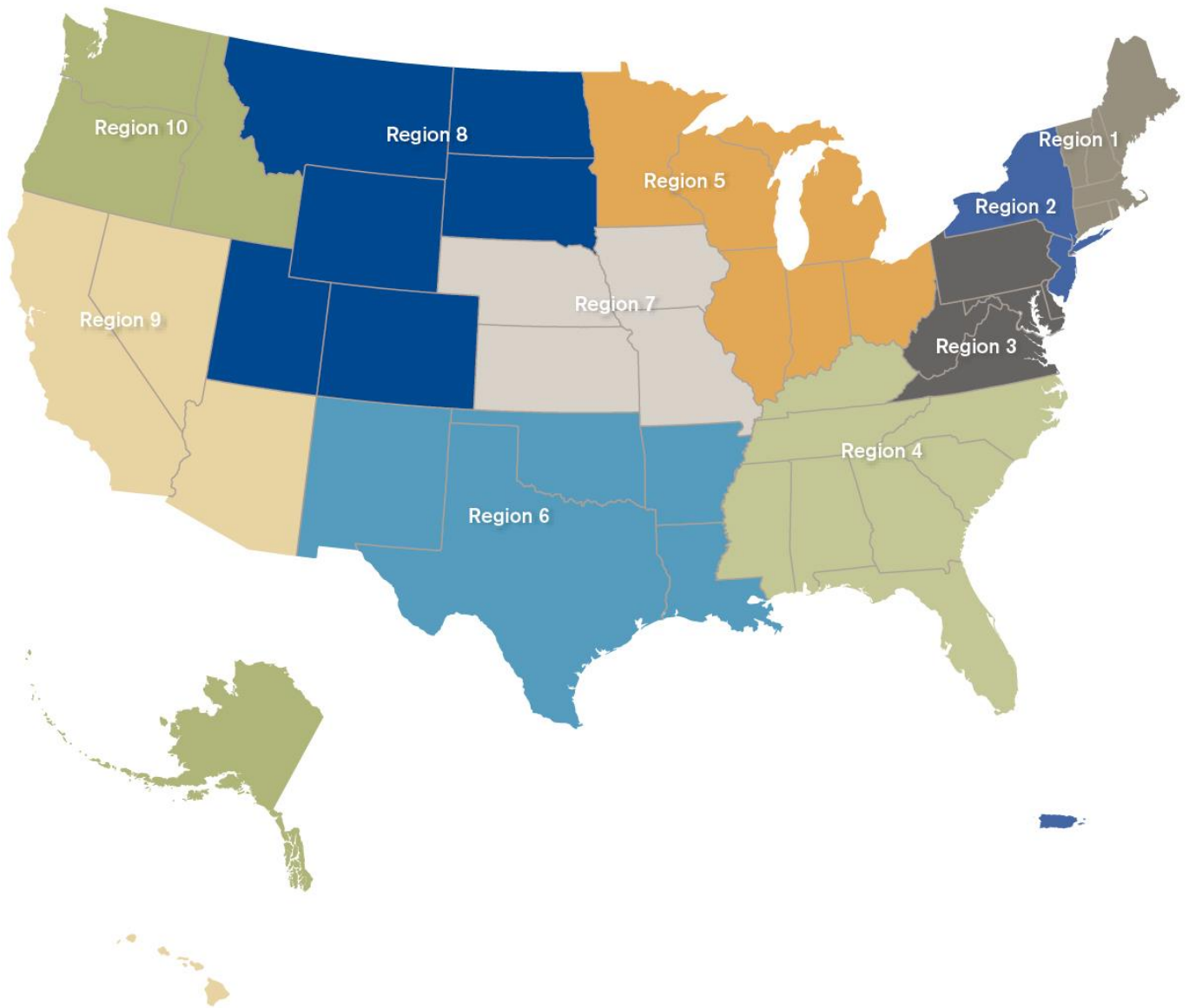
Both authors have developed an expertise in the financial forecasting, pricing, reporting, and reserving of all types of health insurance, including Medicaid and commercial populations. Much of Mr. Palmer's and Mr. Pettit's experience is focused on Medicaid managed care consulting for both state Medicaid programs and Medicaid managed care plans in approximately 15 states.

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APPENDIX 1



APPENDIX 2

MEDICAL LOSS RATIO: CY 2014 RESULTS

MCO GROUPING	CATEGORY	N	Revenue		PERCENTILE				
			(in \$ billions)	MEAN	10 TH	25 TH	50 TH	75 TH	90 TH
COMPOSITE	COMPOSITE	182	110.6	86.0%	77.4%	81.8%	86.5%	90.8%	96.4%
CMS REGION	REGION 1	10	6.0	93.3%	83.0%	87.0%	91.0%	93.1%	96.5%
	REGION 2	13	11.8	84.4%	77.4%	81.6%	88.9%	91.9%	96.1%
	REGION 3	22	14.6	87.1%	78.1%	81.2%	87.6%	88.7%	91.1%
	REGION 4	34	24.3	85.6%	77.0%	81.1%	85.8%	90.5%	99.0%
	REGION 5	49	25.5	84.1%	76.3%	80.5%	84.4%	89.5%	91.9%
	REGION 6	25	17.0	84.5%	80.7%	83.4%	85.4%	87.5%	91.6%
	REGION 7	10	3.9	93.1%	82.9%	84.9%	88.8%	96.4%	99.9%
	REGION 8	5	0.6	89.7%	85.4%	89.4%	92.7%	97.1%	98.3%
	REGION 9	7	2.9	86.4%	77.6%	82.8%	88.4%	91.2%	103.2%
	REGION 10	7	4.1	87.6%	82.6%	86.9%	87.6%	89.7%	92.7%
ANNUAL REVENUE	\$10 TO \$150 MILLION	51	4.0	87.1%	76.9%	81.9%	86.3%	94.1%	106.3%
	\$150 TO \$400 MILLION	47	12.6	86.7%	78.6%	82.7%	87.3%	90.6%	94.9%
	\$400 MILLION TO \$1 BILLION	46	30.6	86.0%	78.1%	81.3%	87.2%	89.6%	91.8%
	MORE THAN \$1 BILLION	38	63.4	85.7%	78.0%	81.9%	85.1%	89.4%	94.5%
REVENUE PMPM	LESS THAN \$275	69	23.1	86.8%	78.2%	82.3%	86.7%	91.4%	101.5%
	\$275 TO \$400	57	43.3	83.9%	79.1%	81.1%	85.9%	88.3%	91.6%
	MORE THAN \$400	56	44.2	87.5%	75.1%	81.9%	87.2%	92.0%	98.4%
MCO TYPE	MEDICAID FOCUSED	80	55.8	85.2%	78.6%	82.2%	86.2%	89.7%	94.7%
	MEDICAID OTHER	102	54.8	86.8%	77.1%	81.5%	86.7%	91.5%	97.2%
MCO AFFILIATION TYPE	INDEPENDENT	38	13.8	90.1%	79.4%	85.3%	88.9%	93.8%	100.6%
	AFFILIATED	144	96.8	85.4%	77.4%	81.2%	85.8%	89.9%	95.2%
MCO FINANCIAL STRUCTURE	FOR-PROFIT	122	74.3	84.7%	77.2%	80.5%	85.1%	89.6%	94.8%
	NONPROFIT	60	36.3	88.5%	81.1%	85.6%	88.9%	92.2%	99.6%
PHARMACY INDICATOR	INCLUDED	153	97.2	86.4%	78.3%	82.7%	87.0%	91.1%	96.5%
	EXCLUDED	29	13.5	83.1%	76.9%	78.7%	83.4%	89.1%	93.9%
EXPANSION STATUS	EXPANSION STATE	82	54.6	85.3%	77.1%	81.0%	86.2%	90.8%	96.2%
	NON-EXPANSION STATE	100	56.1	86.6%	78.4%	82.8%	86.8%	90.8%	95.8%
GAIN / (LOSS) POSITION	REPORTED A GAIN	111	79.6	83.6%	76.4%	79.1%	83.5%	86.7%	89.4%
	REPORTED A LOSS	71	31.1	92.1%	85.6%	88.2%	91.5%	96.3%	104.5%

ADMINISTRATIVE LOSS RATIO: CY 2014 RESULTS

MCO GROUPING	CATEGORY	N	Revenue		PERCENTILE				
			(in \$ billions)	MEAN	10 TH	25 TH	50 TH	75 TH	90 TH
COMPOSITE	COMPOSITE	182	110.6	11.9%	7.1%	9.1%	12.1%	14.6%	16.9%
CMS REGION	REGION 1	10	6.0	7.5%	6.5%	7.1%	8.5%	11.7%	13.0%
	REGION 2	13	11.8	12.4%	9.3%	10.6%	12.9%	14.2%	15.8%
	REGION 3	22	14.6	10.6%	6.7%	8.7%	11.0%	14.5%	16.2%
	REGION 4	34	24.3	11.6%	7.3%	9.0%	11.2%	14.7%	16.4%
	REGION 5	49	25.5	12.9%	7.4%	10.5%	13.4%	15.8%	17.7%
	REGION 6	25	17.0	13.8%	9.0%	10.7%	13.0%	15.1%	18.2%
	REGION 7	10	3.9	9.7%	8.6%	9.6%	10.6%	12.6%	14.4%
	REGION 8	5	0.6	8.1%	3.0%	5.1%	7.0%	9.3%	12.2%
	REGION 9	7	2.9	10.6%	7.1%	8.2%	9.9%	10.8%	13.6%
	REGION 10	7	4.1	12.8%	8.0%	9.9%	11.8%	13.4%	14.1%
ANNUAL REVENUE	\$10 TO \$150 MILLION	51	4.0	12.3%	6.7%	8.8%	11.9%	14.7%	17.2%
	\$150 TO \$400 MILLION	47	12.6	12.1%	8.5%	10.0%	12.3%	13.8%	15.8%
	\$400 MILLION TO \$1 BILLION	46	30.6	11.8%	7.3%	8.7%	11.3%	15.3%	16.9%
	MORE THAN \$1 BILLION	38	63.4	11.9%	6.8%	8.5%	12.4%	14.5%	16.9%
REVENUE PMPM	LESS THAN \$275	69	23.1	12.1%	6.9%	9.5%	11.9%	14.2%	17.0%
	\$275 TO \$400	57	43.3	12.8%	8.3%	10.4%	13.0%	14.5%	15.9%
	MORE THAN \$400	56	44.2	10.9%	6.7%	8.1%	10.7%	15.0%	17.5%
MCO TYPE	MEDICAID FOCUSED	80	55.8	12.3%	7.8%	9.1%	12.5%	14.9%	16.7%
	MEDICAID OTHER	102	54.8	11.5%	6.6%	9.0%	11.7%	14.4%	16.8%
MCO AFFILIATION TYPE	INDEPENDENT	38	13.8	9.3%	7.3%	8.7%	11.2%	13.5%	15.6%
	AFFILIATED	144	96.8	12.3%	6.7%	9.3%	12.3%	14.8%	17.1%
MCO FINANCIAL STRUCTURE	FOR-PROFIT	122	74.3	12.7%	8.3%	10.2%	13.1%	15.2%	17.3%
	NONPROFIT	60	36.3	10.2%	5.8%	7.6%	9.7%	12.7%	15.3%
PHARMACY INDICATOR	INCLUDED	153	97.2	11.8%	6.8%	8.8%	11.6%	14.3%	16.7%
	EXCLUDED	29	13.5	12.9%	9.1%	11.6%	13.6%	16.2%	17.1%
EXPANSION STATUS	EXPANSION STATE	82	54.6	11.7%	6.4%	8.3%	11.2%	14.6%	17.3%
	NON-EXPANSION STATE	100	56.1	12.1%	8.1%	9.6%	12.4%	14.6%	16.4%
GAIN / (LOSS) POSITION	REPORTED A GAIN	111	79.6	11.8%	7.2%	8.8%	11.4%	14.0%	16.2%
	REPORTED A LOSS	71	31.1	12.3%	7.0%	9.5%	13.0%	15.1%	17.3%

UNDERWRITING RATIO: CY 2014 RESULTS

MCO GROUPING	CATEGORY	N	Revenue		PERCENTILE				
			(in \$ billions)	MEAN	10 TH	25 TH	50 TH	75 TH	90 TH
COMPOSITE	COMPOSITE	182	110.6	2.1%	(7.8%)	(2.3%)	1.9%	5.2%	9.6%
CMS REGION	REGION 1	10	6.0	(0.8%)	(6.4%)	(3.3%)	0.8%	3.0%	7.1%
	REGION 2	13	11.8	3.3%	(9.3%)	(4.6%)	(1.1%)	5.6%	8.6%
	REGION 3	22	14.6	2.3%	(9.2%)	(3.0%)	1.9%	5.0%	9.4%
	REGION 4	34	24.3	2.8%	(12.0%)	(5.4%)	3.7%	7.3%	12.4%
	REGION 5	49	25.5	2.9%	(5.8%)	0.0%	2.7%	5.2%	9.0%
	REGION 6	25	17.0	1.6%	(3.8%)	(1.7%)	0.8%	4.2%	6.9%
	REGION 7	10	3.9	(2.8%)	(9.2%)	(5.3%)	(0.6%)	3.3%	4.4%
	REGION 8	5	0.6	2.3%	(3.9%)	(0.6%)	2.1%	3.1%	3.2%
	REGION 9	7	2.9	3.0%	(10.2%)	0.3%	1.5%	3.8%	8.2%
	REGION 10	7	4.1	(0.3%)	(3.2%)	(2.0%)	(1.3%)	3.2%	8.0%
ANNUAL REVENUE	\$10 TO \$150 MILLION	51	4.0	0.6%	(16.9%)	(5.4%)	0.6%	5.4%	11.1%
	\$150 TO \$400 MILLION	47	12.6	1.2%	(8.2%)	(3.1%)	1.6%	5.0%	9.9%
	\$400 MILLION TO \$1 BILLION	46	30.6	2.1%	(4.9%)	(0.2%)	2.9%	5.4%	7.3%
	MORE THAN \$1 BILLION	38	63.4	2.4%	(4.2%)	(0.4%)	2.2%	5.4%	7.7%
REVENUE PMPM	LESS THAN \$275	69	23.1	1.1%	(12.6%)	(3.0%)	1.8%	4.8%	8.9%
	\$275 TO \$400	57	43.3	3.3%	(4.7%)	(1.1%)	2.7%	5.7%	8.2%
	MORE THAN \$400	56	44.2	1.5%	(8.2%)	(3.0%)	1.6%	5.4%	12.0%
MCO TYPE	MEDICAID FOCUSED	80	55.8	2.5%	(6.3%)	(1.7%)	1.9%	5.0%	7.3%
	MEDICAID OTHER	102	54.8	1.7%	(8.7%)	(2.3%)	2.0%	5.7%	10.6%
MCO AFFILIATION TYPE	INDEPENDENT	38	13.8	0.6%	(10.2%)	(4.0%)	0.4%	4.1%	7.9%
	AFFILIATED	144	96.8	2.3%	(7.0%)	(1.9%)	2.4%	5.8%	10.1%
MCO FINANCIAL STRUCTURE	FOR-PROFIT	122	74.3	2.6%	(7.1%)	(2.2%)	2.2%	5.9%	10.3%
	NONPROFIT	60	36.3	1.2%	(8.3%)	(2.3%)	1.1%	4.0%	8.6%
PHARMACY INDICATOR	INCLUDED	153	97.2	1.9%	(7.8%)	(2.5%)	1.7%	5.1%	9.8%
	EXCLUDED	29	13.5	4.0%	(6.9%)	0.4%	3.4%	5.7%	8.6%
EXPANSION STATUS	EXPANSION STATE	82	54.6	3.0%	(6.7%)	(1.7%)	2.2%	5.6%	10.1%
	NON-EXPANSION STATE	100	56.1	1.3%	(9.2%)	(3.0%)	1.9%	5.0%	9.4%
GAIN / (LOSS) POSITION	REPORTED A GAIN	111	79.6	4.7%	1.3%	2.7%	4.7%	7.2%	11.0%
	REPORTED A LOSS	71	31.1	(4.3%)	(15.3%)	(7.6%)	(3.8%)	(1.4%)	(0.3%)

RISK-BASED CAPITAL RATIO: CY 2014 RESULTS

MCO GROUPING	CATEGORY	N	Revenue		PERCENTILE				
			(in \$ billions)	MEAN	10 th	25 th	50 th	75 th	90 th
COMPOSITE	COMPOSITE	182	110.6	426%	195%	299%	395%	512%	673%
CMS REGION	REGION 1	10	6.0	333%	136%	194%	274%	376%	476%
	REGION 2	13	11.8	497%	247%	381%	456%	568%	716%
	REGION 3	22	14.6	402%	210%	320%	381%	513%	714%
	REGION 4	34	24.3	360%	121%	221%	371%	501%	665%
	REGION 5	49	25.5	478%	273%	338%	414%	486%	555%
	REGION 6	25	17.0	418%	259%	327%	414%	588%	706%
	REGION 7	10	3.9	403%	260%	313%	404%	507%	569%
	REGION 8	5	0.6	544%	206%	233%	427%	490%	570%
	REGION 9	7	2.9	393%	291%	344%	394%	431%	571%
	REGION 10	7	4.1	466%	284%	299%	332%	363%	1873%
ANNUAL REVENUE	\$10 TO \$150 MILLION	51	4.0	437%	197%	283%	408%	520%	668%
	\$150 TO \$400 MILLION	47	12.6	457%	199%	317%	400%	528%	668%
	\$400 MILLION TO \$1 BILLION	46	30.6	468%	197%	295%	424%	552%	969%
	MORE THAN \$1 BILLION	38	63.4	381%	229%	313%	356%	433%	525%
REVENUE PMPM	LESS THAN \$275	69	23.1	387%	181%	304%	402%	506%	645%
	\$275 TO \$400	57	43.3	443%	229%	315%	399%	519%	663%
	MORE THAN \$400	56	44.2	441%	195%	286%	375%	509%	700%
MCO TYPE	MEDICAID FOCUSED	80	55.8	390%	220%	286%	364%	478%	653%
	MEDICAID OTHER	102	54.8	441%	187%	316%	423%	525%	695%
MCO AFFILIATION TYPE	INDEPENDENT	38	13.8	414%	181%	264%	374%	530%	682%
	AFFILIATED	144	96.8	428%	200%	312%	398%	489%	667%
MCO FINANCIAL STRUCTURE	FOR-PROFIT	122	74.3	404%	194%	302%	382%	507%	667%
	NONPROFIT	60	36.3	457%	210%	293%	423%	518%	661%
PHARMACY INDICATOR	INCLUDED	153	97.2	423%	188%	285%	385%	516%	691%
	EXCLUDED	29	13.5	451%	315%	355%	413%	487%	562%
EXPANSION STATUS	EXPANSION STATE	82	54.6	460%	229%	299%	405%	497%	683%
	NON-EXPANSION STATE	100	56.1	385%	184%	296%	390%	513%	648%
GAIN / (LOSS) POSITION	REPORTED A GAIN	111	79.6	455%	279%	355%	427%	530%	679%
	REPORTED A LOSS	71	31.1	383%	163%	242%	320%	449%	636%

APPENDIX 3

MCO GROUPING ASSUMPTIONS, 2014

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
ARIZONA	MERCY MARICOPA INTEGRATED CARE	REGION 9	\$400M TO \$1 B	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	GAIN	EXPANSION
COLORADO	ROCKY MTN HLTH MAINTENANCE ORG	REGION 8	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
DISTRICT OF COLUMBIA	AMERIHEALTH DC INC.	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
DISTRICT OF COLUMBIA	TRUSTED HEALTH PLAN	REGION 3	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	GAIN	EXPANSION
FLORIDA	AIDS HLTHCR FNDTN MCO OF FL	REGION 4	\$10M TO \$150M	\$400+	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	AMERIGROUP FLORIDA INC.	REGION 4	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
FLORIDA	COVENTRY HEALTH CARE OF FL INC	REGION 4	\$150M TO \$400M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	FLORIDA MHS INC.	REGION 4	\$150M TO \$400M	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	FREEDOM HEALTH INC.	REGION 4	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	HUMANA MEDICAL PLAN INC.	REGION 4	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	MEDICA HEALTH PLANS OF FL INC.	REGION 4	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
FLORIDA	MOLINA HEALTHCARE OF FL INC.	REGION 4	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	PREFERRED CARE PARTNERS INC.	REGION 4	\$10M TO \$150M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
FLORIDA	PREFERRED MEDICAL PLAN INC.	REGION 4	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	SIMPLY HEALTHCARE PLANS INC.	REGION 4	\$150M TO \$400M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
FLORIDA	SUNSHINE HEALTH	REGION 4	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
FLORIDA	UNITEDHEALTH CARE OF FL INC.	REGION 4	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
FLORIDA	WELLCARE OF FLORIDA INC.	REGION 4	\$1 B+	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
GEORGIA	AMGP GEORGIA MANAGED CARE CO.	REGION 4	\$400M TO \$1 B	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
GEORGIA	PEACH STATE HEALTH PLAN INC.	REGION 4	\$1 B+	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
GEORGIA	WELLCARE OF GEORGIA INC.	REGION 4	\$1 B+	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
HAWAII	ALOHACARE	REGION 9	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
HAWAII	HAWAII MEDICAL SERVICE ASSN.	REGION 9	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	GAIN	EXPANSION
HAWAII	KAISER FNDTN HLTH PLAN INC. HI	REGION 9	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
HAWAII	WELLCARE HEALTH INS OF AZ INC.	REGION 9	\$400M TO \$1 B	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
ILLINOIS	AETNA BETTER HLTH INC. (IL)	REGION 5	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
ILLINOIS	HARMONY HEALTH PLANS OF IL INC	REGION 5	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
ILLINOIS	HEALTH ALLIANCE CONNECT INC.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
ILLINOIS	HEALTH ALLIANCE MED PLANS INC.	REGION 5	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
ILLINOIS	HEALTHSPRING OF TENNESSEE INC.	REGION 5	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
ILLINOIS	ILLINICARE HEALTH	REGION 5	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
ILLINOIS	MERIDIAN HEALTH PLAN OF IL INC	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
ILLINOIS	MOLINA HEALTHCARE OF IL INC	REGION 5	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
INDIANA	ANTHEM INSURANCE COMPANIES INC	REGION 5	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	EXPANSION
INDIANA	MDWISE INC.	REGION 5	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - NO	GAIN	EXPANSION
IOWA	MERIDIAN HEALTH PLAN OF IA INC	REGION 7	\$10M TO \$150M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	LOSS	EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
KANSAS	AMERIGROUP KANSAS INC.	REGION 7	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
KANSAS	SUNFLOWER STATE HLTH PLAN INC.	REGION 7	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
KANSAS	UNITEDHEALTH CARE OF THE MW INC	REGION 7	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
KENTUCKY	ANTHEM HEALTH PLANS OF KY INC.	REGION 4	\$150M TO \$400M	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
KENTUCKY	ANTHEM KY MNGD CARE PLAN INC.	REGION 4	\$10M TO \$150M	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
KENTUCKY	COVENTRY HEALTH & LIFE INS CO.	REGION 4	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
KENTUCKY	HUMANA HEALTH PLAN INC.	REGION 4	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
KENTUCKY	UNIVERSITY HEALTH CARE INC.	REGION 4	\$1 B+	\$400+	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	GAIN	EXPANSION
KENTUCKY	WELLCARE HLTH INS CO. OF KY	REGION 4	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
LOUISIANA	AMERIGROUP LOUISIANA INC.	REGION 6	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
LOUISIANA	AMERIHEALTH CARITAS LA INC.	REGION 6	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
LOUISIANA	LA HEALTHCARE CONNECTIONS INC.	REGION 6	\$400M TO \$1 B	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
MARYLAND	AMERIGROUP MARYLAND INC.	REGION 3	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MARYLAND	KAISER FOUNDATION HEALTH PLAN	REGION 3	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MARYLAND	MEDSTAR FAMILY CHOICE INC.	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MARYLAND	UNITEDHEALTH CARE	REGION 3	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MASSACHUSETTS	BOSTON MED CENTER HEALTH PLAN	REGION 1	\$1 B+	\$400+	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
MASSACHUSETTS	CELTICARE HLTH PLAN OF MA INC.	REGION 1	\$150M TO \$400M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
MASSACHUSETTS	FALLON COMMUNITY HLTH PLAN INC	REGION 1	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
MASSACHUSETTS	HEALTH NEW ENGLAND INC.	REGION 1	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MASSACHUSETTS	NEIGHBORHOOD HEALTH PLAN INC.	REGION 1	\$1 B+	\$400+	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
MASSACHUSETTS	TUFTS HEALTH PUBLIC PLANS INC.	REGION 1	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	AETNA BETTER HEALTH OF MI INC.	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	BLUE CROSS COMPLETE OF MI	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MICHIGAN	HAP MIDWEST HEALTH PLAN INC.	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	HARBOR HEALTH PLAN INC.	REGION 5	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	HEALTHPLUS PARTNERS INC.	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MICHIGAN	MCLAREN HEALTH PLAN INC.	REGION 5	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	MERIDIAN HLTH PLAN OF MI INC.	REGION 5	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	MOLINA HEALTHCARE OF MI INC.	REGION 5	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	PRIORITY HEALTH CHOICE INC.	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MICHIGAN	SPARROW PHP	REGION 5	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MICHIGAN	TOTAL HEALTH CARE INC.	REGION 5	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	UNITEDHEALTH CARE CMNTY (MI)	REGION 5	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MICHIGAN	UPPER PENINSULA HLTH PLAN LLC	REGION 5	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	GAIN	EXPANSION
MINNESOTA	HEALTHPARTNERS INC.	REGION 5	\$400M TO \$1 B	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
MINNESOTA	HMO MINNESOTA	REGION 5	\$400M TO \$1 B	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
MINNESOTA	MEDICA HEALTH PLANS	REGION 5	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
MINNESOTA	METROPOLITAN HEALTH PLAN	REGION 5	\$10M TO \$150M	\$400+	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
MINNESOTA	UCARE MINNESOTA	REGION 5	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
MISSISSIPPI	MAGNOLIA HEALTH PLAN INC.	REGION 4	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
MISSISSIPPI	UNITEDHEALTH CARE OF MS INC.	REGION 4	\$150M TO \$400M	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
MISSOURI	HEALTHCARE USA OF MISSOURI LLC	REGION 7	\$400M TO \$1 B	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
MISSOURI	HOME STATE HEALTH PLAN INC.	REGION 7	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	LOSS	NON-EXPANSION
MISSOURI	MISSOURI CARE INC.	REGION 7	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
NEBRASKA	AMERIHEALTH NEBRASKA INC.	REGION 7	\$10M TO \$150M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	LOSS	NON-EXPANSION
NEBRASKA	COVENTRY HEALTH CARE OF NE INC	REGION 7	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
NEBRASKA	UNITEDHEALTH CARE (MIDLANDS)	REGION 7	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
NEVADA	AMERIGROUP NEVADA INC.	REGION 9	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NEVADA	HEALTH PLAN OF NEVADA INC.	REGION 9	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NEW HAMPSHIRE	GRANITE CARE-MERIDIAN HEALTH	REGION 1	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
NEW HAMPSHIRE	GRANITE STATE HEALTH PLAN INC.	REGION 1	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
NEW JERSEY	AMERICHOICE OF NEW JERSEY INC.	REGION 2	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NEW JERSEY	AMERIGROUP NEW JERSEY INC.	REGION 2	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NEW JERSEY	HEALTHFIRST HEALTH PLAN OF NJ	REGION 2	\$10M TO \$150M	\$275 TO \$400	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
NEW JERSEY	HORIZON HEALTHCARE OF NJ INC.	REGION 2	\$1 B+	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
NEW JERSEY	WELLCARE HLTH PLANS OF NJ INC.	REGION 2	\$150M TO \$400M	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
NEW MEXICO	HCSC INSURANCE SERVICES CO.	REGION 6	\$400M TO \$1 B	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
NEW MEXICO	MOLINA HEALTHCARE OF NM INC.	REGION 6	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
NEW MEXICO	PRESBYTERIAN HEALTH PLAN INC.	REGION 6	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NEW MEXICO	UNITEDHEALTH CARE OF NEW MEXICO	REGION 6	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NEW YORK	CAP DISTRICT PHYSICIANS' HLTH	REGION 2	\$400M TO \$1 B	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
NEW YORK	ELDERPLAN INC.	REGION 2	\$400M TO \$1 B	\$400+	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	GAIN	EXPANSION
NEW YORK	EXCELLUS HEALTH PLAN INC.	REGION 2	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
NEW YORK	HEALTH INS PLAN OF GREATER NY	REGION 2	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
NEW YORK	HEALTHNOW NEW YORK INC.	REGION 2	\$150M TO \$400M	\$400+	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
NEW YORK	INDEPENDENT HEALTH ASSN.	REGION 2	\$150M TO \$400M	\$400+	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
NEW YORK	MVP HEALTH PLAN INC.	REGION 2	\$10M TO \$150M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
NEW YORK	UNITEDHEALTH CARE OF NY INC.	REGION 2	\$1 B+	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
NORTH DAKOTA	SANFORD HEALTH PLAN	REGION 8	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	EXPANSION
OHIO	AETNA BETTER HEALTH INC. (OH)	REGION 5	\$150M TO \$400M	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
OHIO	BUCKEYE CMNTY HEALTH PLAN INC.	REGION 5	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
OHIO	CARESOURCE	REGION 5	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
OHIO	MOLINA HEALTHCARE OF OHIO INC.	REGION 5	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
OHIO	PARAMOUNT ADVANTAGE	REGION 5	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
OHIO	UNITEDHEALTH CARE CMNTY (OH)	REGION 5	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
OREGON	PROVIDENCE HEALTH ASSURANCE	REGION 10	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION
OREGON	TRILLIUM CMNTY HEALTH PLAN INC	REGION 10	\$150M TO \$400M	\$275 TO \$400	MEDICAID OTHER	INDEPENDENT	FOR-PROFIT	RX - YES	GAIN	EXPANSION
PENNSYLVANIA	AETNA BETTER HEALTH INC. (PA)	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
PENNSYLVANIA	GATEWAY HEALTH PLAN INC.	REGION 3	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	NON-EXPANSION
PENNSYLVANIA	GEISINGER HEALTH PLAN	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	LOSS	NON-EXPANSION
PENNSYLVANIA	HEALTHAMERICA PENNSYLVANIA INC	REGION 3	\$150M TO \$400M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
PENNSYLVANIA	UNITEDHEALTH CARE OF PA INC.	REGION 3	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
PENNSYLVANIA	UPMC FOR YOU INC.	REGION 3	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
PENNSYLVANIA	VISTA HEALTH PLAN (PA)	REGION 3	\$1 B+	\$400+	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
RHODE ISLAND	NEIGHBORHOOD HEALTH PLAN OF RI	REGION 1	\$400M TO \$1 B	\$400+	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	GAIN	EXPANSION
RHODE ISLAND	UNITEDHEALTH CARE (NEW ENGLAND)	REGION 1	\$400M TO \$1 B	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
SOUTH CAROLINA	ABSOLUTE TOTAL CARE INC.	REGION 4	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
SOUTH CAROLINA	ADVICARE CORP.	REGION 4	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
SOUTH CAROLINA	BLUECHOICE HEALTHPLAN OF SC	REGION 4	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
SOUTH CAROLINA	MOLINA HEALTHCARE OF SC INC.	REGION 4	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
SOUTH CAROLINA	SELECT HEALTH OF SC INC.	REGION 4	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
SOUTH CAROLINA	WELLCARE OF SOUTH CAROLINA INC	REGION 4	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
TENNESSEE	AMERIGROUP TENNESSEE INC.	REGION 4	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
TENNESSEE	UNITEDHEALTH CARE PLAN	REGION 4	\$1 B+	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
TENNESSEE	VOLUNTEER STATE HLTH PLAN INC.	REGION 4	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
TEXAS	AETNA HEALTH INC. (A TX CORP.)	REGION 6	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	AMERIGROUP INSURANCE CO.	REGION 6	\$150M TO \$400M	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	AMERIGROUP TEXAS INC.	REGION 6	\$1 B+	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	BANKERS RESERVE LIFE INS CO.	REGION 6	\$1 B+	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	COMMUNITY FIRST HLTH PLANS INC	REGION 6	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	COMMUNITY HEALTH CHOICE INC.	REGION 6	\$400M TO \$1 B	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	COOK CHILDREN'S HEALTH PLAN	REGION 6	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	DRISCOLL CHILDREN'S HLTH PLAN	REGION 6	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	LOSS	NON-EXPANSION
TEXAS	EL PASO FIRST HEALTH PLANS INC	REGION 6	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	MOLINA HLTHCR OF TEXAS INC.	REGION 6	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
TEXAS	PARKLAND CMNTY HEALTH PLAN INC	REGION 6	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	SCOTT & WHITE HEALTH PLAN	REGION 6	\$10M TO \$150M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	SENDERO HEALTH PLANS INC.	REGION 6	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	NON-EXPANSION
TEXAS	SETON HEALTH PLAN INC.	REGION 6	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
TEXAS	SHA L.L.C.	REGION 6	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
TEXAS	SUPERIOR HEALTHPLAN INC.	REGION 6	\$1 B+	\$275 TO \$400	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
TEXAS	TEXAS CHILDREN'S HLTH PLAN INC	REGION 6	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
TEXAS	UNITEDHEALTH CARE CMNTY (TX)	REGION 6	\$1 B+	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
UTAH	HEALTH CHOICE UTAH INC.	REGION 8	\$10M TO \$150M	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
UTAH	MOLINA HEALTHCARE OF UTAH INC.	REGION 8	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
UTAH	SELECTHEALTH INC.	REGION 8	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
VIRGINIA	CARILION CLINIC MEDICARE RSRC	REGION 3	\$10M TO \$150M	\$275 TO \$400	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
VIRGINIA	COVENTRY HLTHCARE OF VA INC.	REGION 3	\$150M TO \$400M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
VIRGINIA	HEALTHKEEPERS INC.	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	NON-EXPANSION
VIRGINIA	INTOTAL HEALTH LLC	REGION 3	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	LOSS	NON-EXPANSION
VIRGINIA	OPTIMA HEALTH PLAN	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
VIRGINIA	VIRGINIA PREMIER HLTH PLAN INC	REGION 3	\$400M TO \$1 B	\$275 TO \$400	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - YES	GAIN	NON-EXPANSION
WASHINGTON	COLUMBIA UNITED PROVIDERS INC.	REGION 10	\$10M TO \$150M	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	FOR-PROFIT	RX - YES	LOSS	EXPANSION
WASHINGTON	COMMUNITY HEALTH PLAN OF WA	REGION 10	\$400M TO \$1 B	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - YES	LOSS	EXPANSION
WASHINGTON	COORDINATED CARE CORP.	REGION 10	\$400M TO \$1 B	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
WASHINGTON	MOLINA HEALTHCARE OF WA INC.	REGION 10	\$1 B+	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
WASHINGTON	UNITEDHEALTH CARE OF WA INC.	REGION 10	\$400M TO \$1 B	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	LOSS	EXPANSION
WEST VIRGINIA	COVENTRY HEALTH CARE OF WV INC	REGION 3	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
WEST VIRGINIA	HEALTH PLAN OF THE UPPER OH	REGION 3	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - YES	GAIN	EXPANSION

STATE	MCO	CMS REGION	ANNUAL REVENUE	REVENUE PMPM	MCO TYPE	MCO AFFILIATION TYPE	FINANCIAL STRUCTURE	PHARMACY INDICATOR	GAIN OR LOSS	EXPANSION STATUS
WEST VIRGINIA	UNICARE HEALTH PLAN OF WV INC.	REGION 3	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	AFFILIATED	FOR-PROFIT	RX - YES	GAIN	EXPANSION
WISCONSIN	CHILDREN'S CMNTY HLTH PLAN INC	REGION 5	\$150M TO \$400M	LESS THAN \$275	MEDICAID FOCUSED	INDEPENDENT	NONPROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	COMPCARE HEALTH SVCS INS CORP.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	DEAN HEALTH PLAN INC.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	GROUP HLTH COOP OF EAU CLAIRE	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	GUNDERSEN HEALTH PLAN INC.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	NONPROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	HEALTH TRADITION HEALTH PLAN	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	INDEPENDENT CARE HEALTH PLAN	REGION 5	\$10M TO \$150M	\$400+	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	MERCYCARE HMO INC.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	LOSS	NON-EXPANSION
WISCONSIN	MHS HEALTH WISCONSIN	REGION 5	\$10M TO \$150M	\$275 TO \$400	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	MOLINA HEALTHCARE OF WI INC.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	NETWORK HEALTH PLAN	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	LOSS	NON-EXPANSION
WISCONSIN	PHYSICIANS PLUS INSURANCE CORP	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	FOR-PROFIT	RX - NO	LOSS	NON-EXPANSION
WISCONSIN	SECURITY HEALTH PLAN OF WI INC	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	NONPROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	UNITEDHEALTH CARE OF WI INC.	REGION 5	\$150M TO \$400M	LESS THAN \$275	MEDICAID OTHER	AFFILIATED	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION
WISCONSIN	UNITY HEALTH PLANS INS CORP.	REGION 5	\$10M TO \$150M	LESS THAN \$275	MEDICAID OTHER	INDEPENDENT	FOR-PROFIT	RX - NO	GAIN	NON-EXPANSION



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