

CRS
CRS PROGRAM TIERED RECONCILIATION - EXAMPLE
 FOR THE CONTRACT YEAR ENDED 9/30/XX
 As Of: xx/xx/xx

| CRS | |
|--|-------------------------|
| Capitation | \$ 58,400,000.00 |
| Total Capitation | \$ 58,400,000.00 |
| Admin | \$ 5,032,072.97 |
| Premium Tax | \$ 1,168,000.00 |
| Net Capitation (Net of Admin and Premium Tax) | \$ 52,199,927.03 |
| Expenses | \$ 52,615,000.00 |
| Subcapitated Expenses | \$ 1,000,000.00 |
| Exclusion of Subcap Code 01 Encounters | \$ 50,000.00 |
| Reinsurance Paid | \$ 4,200,000.00 |
| Total Profit/(Loss) | \$ 2,834,927.03 |
| Profit/(Loss) % of Net Capitation | 5.43% |

| Settlement | |
|---|------------------|
| Net Capitation (Net of Admin and Premium Tax) | \$ 52,199,927.03 |
| Total Profit/(Loss) | \$ 2,834,927.03 |
| Profit/(Loss) % of Net Capitation | 5.43% |

| | |
|--|-------------------------------|
| Net Amount Due to (from) Health Plan: | \$ (373,464.98) |
| Premium Tax | \$ (7,621.73) |
| Less amounts previously paid with initial/interim reconciliations | |
| Net Amount Due to (from) Health Plan | <u>\$ (381,086.71)</u> |

| Recon Amount Due to/From Calculation | Excess Profit | Recoup. % | Amount | | Calcs |
|--------------------------------------|---------------|-----------|-----------|------------|--------------|
| | | | Overpaid | Recoupment | |
| <=3% | 0% | \$ | 1,565,998 | \$ - | \$ 2,834,927 |
| 3% < x <= 5% | 25% | \$ | 1,043,999 | \$ 261,000 | \$ 1,268,929 |
| 5% < x <= 7% | 50% | \$ | 224,931 | \$ 112,465 | \$ 224,931 |
| 7% < x <= 9% | 75% | \$ | - | - | \$ - |
| x > 9% | 100% | \$ | - | - | \$ - |

| Recon Amount Due to/From Calculation | Excess Loss | Recoup. % | Amount | | Calcs |
|--------------------------------------|-------------|-----------|-----------|-----------|-------|
| | | | Underpaid | Reimburse | |
| <=3% | 0% | \$ | - | - | \$ - |
| 3% < x <= 6% | 50% | \$ | - | - | \$ - |
| x > 6% | 100% | \$ | - | - | \$ - |

Assumptions:

- 1) Total Capitation includes Capitation for dates of service within the reconciliation time frame.
- 2) Expenditures include adjudicated encounters for dates of service within the reconciliation time frame.
- 3) Reinsurance based on actual reinsurance payments for dates of service within the reconciliation time frame.
- 4) Admin at 9.64%.
- 5) Subcapitated expenses are self reported from Quarterly Financial statements. These should not contain the enhanced portion of a payment for PCP Parity that is subject to AHCCCS cost settlement.
- 6) All encounters with CN 1 code of 05 have been excluded from this reconciliation, since these should either be included in the self reported subcapitated expenses or they represent the enhanced portion of a payment for PCP parity.

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CRS TIERED RECONCILIATION
 FOR THE CONTRACT YEAR ENDED 9/30/XX
 As Of: xx/xx/xx

| CRS | |
|--|--------------------------|
| Capitation | \$ 58,400,000.00 |
| Total Capitation | \$ 58,400,000.00 |
| Admin | \$ 5,032,072.97 |
| Premium Tax | \$ 1,168,000.00 |
| Net Capitation (Net of Admin and Premium Tax) | \$ 52,199,927.03 |
| Expenses | \$ 57,615,000.00 |
| Subcapitated Expenses | \$ 1,000,000.00 |
| Exclusion of Subcap Code 01 Encounters | \$ 50,000.00 |
| Reinsurance Paid | \$ 4,200,000.00 |
| Total Profit/(Loss) | \$ (2,165,072.97) |
| Profit/(Loss) % of Net Capitation | -4.15% |

| Settlement | |
|---|-------------------|
| Net Capitation (Net of Admin and Premium Tax) | \$ 52,199,927.03 |
| Total Profit/(Loss) | \$ (2,165,072.97) |
| Profit/(Loss) % of Net Capitation | -4.15% |

| | |
|---|-----------------------------|
| Net Amount Due to (from) Health Plan: | \$ 299,537.58 |
| Premium Tax | \$ 6,113.01 |
| Less amounts previously paid with initial/interim reconciliations | |
| Net Amount Due to (from) Health Plan | <u>\$ 305,650.59</u> |

| Recon Amount Due to/From Calculation | Excess Profit | Recoup. % | Amount | | Recoupment | Calcs |
|--------------------------------------|---------------|-----------|----------|------------|------------|-------|
| | | | Overpaid | Recoupment | | |
| <=3% | 0% | \$ | - | - | - | \$ - |
| 3% < x <= 5% | 25% | \$ | - | - | - | \$ - |
| 5% < x <= 7% | 50% | \$ | - | - | - | \$ - |
| 7% < x <= 9% | 75% | \$ | - | - | - | \$ - |
| x > 9% | 100% | \$ | - | - | - | \$ - |

| Recon Amount Due to/From Calculation | Excess Loss | Recoup. % | Amount | | Reimburse | Calcs |
|--------------------------------------|-------------|-----------|-------------|-----------|-----------|----------------|
| | | | Underpaid | Reimburse | | |
| <=3% | 0% | \$ | (1,565,998) | - | - | \$ (2,165,073) |
| 3% < x <= 6% | 50% | \$ | (599,075) | (299,538) | - | \$ (599,075) |
| x > 6% | 100% | \$ | - | - | - | \$ - |

- Assumptions:**
- 1) Total Capitation includes Capitation Payments for dates of service within the reconciliation time frame.
 - 2) Expenditures include adjudicated encounters for dates of service within the reconciliation time frame.
 - 3) Reinsurance based on actual reinsurance payments for dates of service within the reconciliation time frame.
 - 4) Admin at 9.64%.
 - 5) Subcapitated expenses are self reported from Quarterly Financial statements. These should not contain the enhanced portion of a payment for PCP Parity that is subject to AHCCCS cost settlement.
 - 6) All encounters with CN 1 code of 05 have been excluded from this reconciliation, since these should either be included in the self reported subcapitated expenses or they represent the enhanced portion of a payment for PCP parity.