

**HEALTH PLAN
PRIOR PERIOD COVERAGE RECONCILIATION - EXAMPLE
FOR CONTRACT YEAR ENDED XX/XX/XX**

PPC	TANF <1	TANF 1-13	TANF 14-44F	TANF 14-44M	TANF 45+	SSI/W	SSI W/O	SOBRA MOTHERS	MED (CYE '11 Only)	Non-MED	TOTAL
PPC Revenue	\$ 315,000.00	\$ 100,000.00	\$ 308,000.00	\$ 80,000.00	\$ 40,000.00	\$ 4,000.00	\$ 15,000.00	\$ 75,000.00	\$ 80,000.00	\$ 500,000.00	\$ 1,517,000.00
Less: Premium Tax ³	\$ 6,300.00	\$ 2,000.00	\$ 6,160.00	\$ 1,600.00	\$ 800.00	\$ 80.00	\$ 300.00	\$ 1,500.00	\$ 1,600.00	\$ 10,000.00	\$ 30,340.00
Less: Admin %	\$ 22,866.67	\$ 7,259.26	\$ 22,358.52	\$ 5,807.41	\$ 2,903.70	\$ 290.37	\$ 1,088.89	\$ 5,444.44	\$ 5,807.41	\$ 36,296.30	\$ 110,122.96
PPC Revenue Net of Admin and Premium Tax *	\$ 285,833.33	\$ 90,740.74	\$ 279,481.48	\$ 72,592.59	\$ 36,296.30	\$ 3,629.63	\$ 13,611.11	\$ 68,055.56	\$ 72,592.59	\$ 453,703.70	\$ 1,376,537.04
Less: Expenditures HP Paid	\$ 275,000.00	\$ 90,000.00	\$ 280,000.00	\$ 74,000.00	\$ 37,000.00	\$ 4,500.00	\$ 16,000.00	\$ 65,000.00	\$ 70,000.00	\$ 200,000.00	\$ 1,111,500.00
Net Profit/(Loss)	\$ 10,833.33	\$ 740.74	\$ (518.52)	\$ (1,407.41)	\$ (703.70)	\$ (870.37)	\$ (2,388.89)	\$ 3,055.56	\$ 2,592.59	\$ 253,703.70	\$ 265,037.04
% of Rev Net of Admin	3.79%	0.82%	-0.19%	-1.94%	-1.94%	-23.98%	-17.55%	4.49%	3.57%	55.92%	19.25%

Net Capitation \$ 1,376,537.04
Total Profit/(Loss) \$ 265,037.04

Risk Band Corridor - 2% or (2%) \$ 27,530.74

PPC Amount Due To (From) Health Plan \$ (237,506.30)
Premium Tax \$ (4,845.13)
Net PPC Amount Due To (From) Health Plan \$ (242,351.42)

For all Covered PPC Risk Groups:

Assumptions:

- 1) PPC Revenue includes applicable PPC Capitation with dates of service in the contract year to be reconciled.
- 2) PPC Expenditures include applicable adjudicated encounters based on the date of service for the contract year being reconciled.
- 3) The Health Plan is responsible for a premium tax to the Department of Insurance of 2% on all payments received by the HP from AHCCCS.
- 4) The enhanced portion of a payment for PCP Parity that is subject to AHCCCS cost settlement will not be included in the reconciliation; the non-enhanced portion of the payment will be included in the reconciliation.

*** Building the Gross Capitation Rate All PPC Covered Risk Groups**

Cap Rate before Admin and Prem Tax		\$100.00
Add Admin Amount Per Policy	+\$100 * 8.0%	\$8.00
Subtotal	+\$100 + \$8.00	\$108.00
Add Premium Tax (PT) of 2%	+\$108.00/.98	\$2.20
Gross Capitation Rate	+\$108+\$2.20	<u>\$110.20</u>

*** Calculating the Net Revenue**

Gross Capitation Rate		\$110.20
Deduct Premium Tax (Gross x .02)		\$2.20
Deduct Admin ((Gross-PT) - ((Gross-PT)/1.08))		\$8.00
Net Capitation Revenue (Gross-PT-Admin)		\$100.00