

**HEALTH PLAN  
ACUTE PROGRAM TIERED PROSPECTIVE RECONCILIATION  
FOR THE CONTRACT YEAR ENDED 9/30/XX  
As Of: xx/xx/xx**

Prospective	TANF <1	TANF 1-13	TANF 14-44F	TANF 14-44M	TANF 45+	SSI/W	SSI W/O	SOBRA PREGNANT WOMEN	KidsCare	AHCCCS Care	SOBRA FPEP	TOTAL
<b>Capitation</b>												
Prospective Capitation	\$ 58,400,000.00	\$ 128,300,000.00	\$ 132,700,000.00	\$ 41,500,000.00	\$ 40,000,000.00	\$ 29,200,000.00	\$ 112,300,000.00	\$ 8,000,000.00	\$ 40,090,000.00	\$ 118,000,000.00	\$ 100,000.00	\$ 708,590,000.00
Delivery Supplemental Payments	\$ -	\$ -	\$ 18,400,000.00	\$ -	\$ -	\$ 100,000.00	\$ 700,000.00	\$ 26,000,000.00	\$ 1,840,000.00	\$ 50,000,000.00	\$ -	\$ 97,040,000.00
<b>Total Capitation</b>	<b>\$ 58,400,000.00</b>	<b>\$ 128,300,000.00</b>	<b>\$ 151,100,000.00</b>	<b>\$ 41,500,000.00</b>	<b>\$ 40,000,000.00</b>	<b>\$ 29,300,000.00</b>	<b>\$ 113,000,000.00</b>	<b>\$ 34,000,000.00</b>	<b>\$ 41,930,000.00</b>	<b>\$ 168,000,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 805,630,000.00</b>
Less: Administrative Component	\$ 4,400,000.00	\$ 9,500,000.00	\$ 11,342,560.00	\$ 3,100,000.00	\$ 3,100,000.00	\$ 2,107,840.00	\$ 8,254,880.00	\$ 2,638,400.00	\$ 3,144,256.00	\$ 4,520,000.00	\$ 7,260.00	\$ 52,115,196.00
Less: Premium Tax Component	\$ 1,168,000.00	\$ 2,566,000.00	\$ 3,022,000.00	\$ 830,000.00	\$ 800,000.00	\$ 586,000.00	\$ 2,260,000.00	\$ 680,000.00	\$ 838,600.00	\$ 3,360,000.00	\$ 2,000.00	\$ 16,112,600.00
<b>Prospective Net Capitation</b>	<b>\$ 52,832,000.00</b>	<b>\$ 116,234,000.00</b>	<b>\$ 136,735,440.00</b>	<b>\$ 37,570,000.00</b>	<b>\$ 36,100,000.00</b>	<b>\$ 26,606,160.00</b>	<b>\$ 102,485,120.00</b>	<b>\$ 30,681,600.00</b>	<b>\$ 37,947,144.00</b>	<b>\$ 160,120,000.00</b>	<b>\$ 90,740.00</b>	<b>\$ 737,402,204.00</b>
<b>Expense</b>												
Prospective Medical Expense	\$ 67,870,000.00	\$ 126,940,000.00	\$ 146,520,000.00	\$ 46,090,000.00	\$ 38,940,000.00	\$ 30,030,000.00	\$ 131,120,000.00	\$ 33,550,000.00	\$ 42,636,000.00	\$ 168,975,000.00	\$ 125,000.00	\$ 832,796,000.00
Plus: Subcapitated Expense	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00	\$ 700,000.00	\$ 100,000.00	\$ 600,000.00	\$ 900,000.00	\$ 400,000.00	\$ 280,000.00	\$ 1,500,000.00	\$ -	\$ 6,480,000.00
Less: CN1 Code 05 Encounters	\$ -	\$ -	\$ -	\$ 1,500.00	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 2,650.00	\$ 25,000.00	\$ 25,000.00	\$ 79,150.00
<b>Net Medical Expense</b>	<b>\$ 68,870,000.00</b>	<b>\$ 127,440,000.00</b>	<b>\$ 147,020,000.00</b>	<b>\$ 46,788,500.00</b>	<b>\$ 39,015,000.00</b>	<b>\$ 30,630,000.00</b>	<b>\$ 132,020,000.00</b>	<b>\$ 33,950,000.00</b>	<b>\$ 42,913,350.00</b>	<b>\$ 170,450,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 839,196,850.00</b>
<b>Reinsurance (RI) Payments</b>	<b>\$ 9,200,000.00</b>	<b>\$ 4,600,000.00</b>	<b>\$ 3,300,000.00</b>	<b>\$ 4,900,000.00</b>	<b>\$ 1,300,000.00</b>	<b>\$ 300,000.00</b>	<b>\$ 21,900,000.00</b>	<b>\$ -</b>	<b>\$ 2,330,000.00</b>	<b>\$ 5,000,000.00</b>	<b>\$ -</b>	<b>\$ 52,830,000.00</b>
<b>Profit/(Loss) to be Reconciled = (Net Cap - Net Exp + RI Pmt)</b>	<b>\$ (6,338,000.00)</b>	<b>\$ (6,606,000.00)</b>	<b>\$ (6,984,560.00)</b>	<b>\$ (4,318,500.00)</b>	<b>\$ (1,615,000.00)</b>	<b>\$ (3,723,840.00)</b>	<b>\$ (7,634,880.00)</b>	<b>\$ (3,268,400.00)</b>	<b>\$ (2,636,206.00)</b>	<b>\$ (5,330,000.00)</b>	<b>\$ (9,260.00)</b>	<b>\$ (48,964,646.00)</b>
<b>Profit/(Loss) % of Prospective Net Capitation</b>	-12.94%	-5.68%	-5.11%	-11.49%	-4.47%	-14.00%	-7.45%	-10.65%	-6.95%	-3.33%	-10.20%	-6.64%
Member Months	150,000	1,410,000	670,000	320,000	120,000	250,000	210,000	50,000	50,000	800,000	10,000	4,040,000

**Settlement**

Prospective Net Capitation (Net of Admin and Premium Tax)	\$ 737,402,204.00
Total Profit/(Loss) to be Reconciled	\$ (48,964,646.00)
Profit/(Loss) % of Prospective Net Capitation	-6.64%

<b>Amount Due to (from) Contractor:</b>	\$ 26,842,579.88
<b>Premium Tax</b>	\$ 547,807.75
<b>Net Amount Due to (from) Contractor:</b>	<u>\$ 27,390,387.63</u>

Recon Amount Due to/From Calculation	Excess Profit	Recoup. %	Amount Overpaid	Recoupment	Calcs
<=3%		0%	\$ -	\$ -	\$ -
3% < x <= 6%		50%	\$ -	\$ -	\$ -
x > 6%		100%	\$ -	\$ -	\$ -

Recon Amount Due to/From Calculation	Excess Loss	Recoup. %	Amount Underpaid	Reimburse	Calcs
<=3%		0%	\$ (22,122,066)	\$ -	\$ (48,964,646)
> 3%		100%	\$ (26,842,580)	\$ (26,842,580)	\$ (26,842,580)

- Assumptions:**
- 1) Total Prospective Capitation includes Prospective Capitation and Delivery Supplemental Payments for dates of service within the reconciliation time frame.
  - 2) Prospective Expenses include adjudicated encounters for dates of service within the reconciliation time frame.
  - 3) Reinsurance Payments are based on actual reinsurance payments for dates of service within the reconciliation time frame.
  - 4) Administrative Component is at awarded admin rate for all risk groups except those where rate is set by AHCCCS. The administrative component for rates set by AHCCCS will be at the amount built into the cap rates. SOBRA Pregnant Women assume the administrative component at TANF 14-44 F rate.
  - 5) 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.
  - 6) 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.
  - 7) 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.