

**HEALTH PLAN
CRS TIERED RECONCILIATION - Example
FOR THE CONTRACT YEAR ENDED 9/30/XX**

	CRS Partially-					Total CRS
	CRS Fully Integrated	CRS Partially-Integrated Acute	Integrated Behavioral Health	CRS Only		
Capitation						
Capitation	\$ 58,400,000.00	\$ 28,400,000.00	\$ 33,400,000.00	\$ 15,000,000.00	\$ 135,200,000.00	
Less: Administrative Component	\$ 5,032,072.97	\$ 2,737,760.00	\$ 2,672,000.00	\$ 1,446,000.00	\$ 11,887,832.97	
Less: Premium Tax Component	\$ 1,168,000.00	\$ 568,000.00	\$ 668,000.00	\$ 300,000.00	\$ 2,704,000.00	
Net Capitation	\$ 52,199,927.03	\$ 25,094,240.00	\$ 30,060,000.00	\$ 13,254,000.00	\$ 120,608,167.03	
Expense						
Medical Expense	\$ 52,615,000.00	\$ 22,000,000.00	\$ 30,000,000.00	\$ 12,000,000.00	\$ 116,615,000.00	
Plus: Subcapitated/Block Purchase Expenses	\$ 1,000,000.00	\$ 750,000.00	\$ 600,000.00	\$ 750,000.00	\$ 3,100,000.00	
Less: CN1 Code 05 Encounters	\$ -	\$ 20,000.00	\$ 25,000.00	\$ 1,500.00	\$ 46,500.00	
Net Medical Expense	\$ 53,615,000.00	\$ 22,730,000.00	\$ 30,575,000.00	\$ 12,748,500.00	\$ 119,668,500.00	
Reinsurance (RI) Payments	\$ 3,844,400.00	\$ 1,869,500.00	\$ 2,198,700.00	\$ 987,400.00	\$ 8,900,000.00	
Profit/(Loss) to be Reconciled = (Net Cap - Net Exp + RI Pmt)	\$ 2,429,327.03	\$ 4,233,740.00	\$ 1,683,700.00	\$ 1,492,900.00	\$ 9,839,667.03	
Profit/(Loss) % of Net Capitation	4.65%	16.87%	5.60%	11.26%	8.16%	
Member Months	200,000	2,000	75,000	15,000	292,000	

Settlement

Net Capitation (Net of Admin and Premium Tax)	\$ 120,608,167.03
Total Profit/(Loss) to be Reconciled	\$ 9,839,667.03
Profit/(Loss) % of Net Capitation	8.16%

Amount Due to (from) Contractor:	\$ (4,412,299.52)
Premium Tax	\$ (90,046.93)
Net Amount Due to (from) Contractor:	\$ (4,502,346.45)

Recon Amount Due to/From Calculation	Excess Profit	Recoup. %	Amount		Calcs
			Overpaid	Recoupment	
<=3%	0%		\$ 3,618,245	\$ -	\$ 9,839,667
3% < x <= 6%	50%		\$ 3,618,245	\$ 1,809,123	\$ 6,221,422
x > 6%	100%		\$ 2,603,177	\$ 2,603,177	\$ 2,603,177

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

Assumptions:

- 1) Total Capitation includes Capitation Payments for dates of service within the reconciliation time frame.
- 2) Expenses include adjudicated encounters for dates of service within the reconciliation time frame.
- 3) Reinsurance Paid is based on actual reinsurance payments for dates of service within the reconciliation time frame.
- 4) Administrative component is the Contractor awarded admin pmpm times member months for the reconciliation period.
- 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.