

Draft Attachment A - Sample CRS Tiered Reconciliation

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

| | CRS Fully Integrated | | CRS Partially-Integrated Acute | | CRS Partially-Integrated Behavioral Health | | CRS Only | Total CRS |
|------------------------------------------------------|----------------------|------------------|--------------------------------|------------------|--------------------------------------------|--|----------|-----------|
| | | | | | | | | |
| Total Capitation | \$ 58,400,000.00 | \$ 28,400,000.00 | \$ 33,400,000.00 | \$ 15,000,000.00 | \$ 135,200,000.00 | | | |
| Administrative Component | \$ 5,032,072.97 | \$ 2,737,760.00 | \$ 2,672,000.00 | \$ 1,446,000.00 | \$ 11,887,832.97 | | | |
| Premium Tax | \$ 1,168,000.00 | \$ 568,000.00 | \$ 668,000.00 | \$ 300,000.00 | \$ 2,704,000.00 | | | |
| Net Capitation (Net of Admin and Premium Tax) | \$ 52,199,927.03 | \$ 25,094,240.00 | \$ 30,060,000.00 | \$ 13,254,000.00 | \$ 120,608,167.03 | | | |
| Expenses | \$ 52,615,000.00 | \$ 22,000,000.00 | \$ 30,000,000.00 | \$ 12,000,000.00 | \$ 116,615,000.00 | | | |
| Subcapitated/Block Purchase Expenses | \$ 1,000,000.00 | \$ 750,000.00 | \$ 600,000.00 | \$ 750,000.00 | \$ 3,100,000.00 | | | |
| Exclusion of Subcap Code 01 Encounters | \$ - | \$ 20,000.00 | \$ 25,000.00 | \$ 1,500.00 | \$ 46,500.00 | | | |
| Reinsurance Paid | \$ 3,844,400.00 | \$ 1,869,500.00 | \$ 2,198,700.00 | \$ 987,400.00 | \$ 8,900,000.00 | | | |
| Total Profit/(Loss) to be Reconciled | \$ 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% | | | |

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) |
| Less amounts previously paid with initial/interim reconciliations | |
| Net Amount Due to (from) Contractor: | <u>\$ (4,502,346.45)</u> |

| 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 ppm times member months for the reconciliation period.
- 5) Subcapitated expenses are self reported from Quarterly Financial statements.
- 6) All encounters with a subcap code of 01 and a CN1 code of 05 have been excluded from this reconciliation, since these should be included in the self reported subcapitated/block purchase expenses in #5 above.

Attachment A

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

| | CRS Fully Integrated | | CRS Partially-Integrated Acute | | CRS Partially-Integrated Behavioral Health | | CRS Only | Total CRS |
|------------------------------------------------------|----------------------|-------------------|--------------------------------|------------------|--------------------------------------------|--|----------|-----------|
| | | | | | | | | |
| Total Capitation | \$ 58,400,000.00 | \$ 28,400,000.00 | \$ 33,400,000.00 | \$ 15,000,000.00 | \$ 135,200,000.00 | | | |
| Administrative Component | \$ 5,032,072.97 | \$ 2,737,760.00 | \$ 2,672,000.00 | \$ 1,446,000.00 | \$ 11,887,832.97 | | | |
| Premium Tax | \$ 1,168,000.00 | \$ 568,000.00 | \$ 668,000.00 | \$ 300,000.00 | \$ 2,704,000.00 | | | |
| Net Capitation (Net of Admin and Premium Tax) | \$ 52,199,927.03 | \$ 25,094,240.00 | \$ 30,060,000.00 | \$ 13,254,000.00 | \$ 120,608,167.03 | | | |
| Expenses | \$ 59,800,000.00 | \$ 27,800,000.00 | \$ 30,000,000.00 | \$ 13,750,000.00 | \$ 131,350,000.00 | | | |
| Subcapitated/Block Purchase Expenses | \$ 1,000,000.00 | \$ 750,000.00 | \$ 600,000.00 | \$ 750,000.00 | \$ 3,100,000.00 | | | |
| Exclusion of Subcap Code 01 Encounters | \$ - | \$ 20,000.00 | \$ 25,000.00 | \$ 1,500.00 | \$ 46,500.00 | | | |
| Reinsurance Paid | \$ 3,844,400.00 | \$ 1,869,500.00 | \$ 2,198,700.00 | \$ 987,400.00 | \$ 8,900,000.00 | | | |
| Total Profit/(Loss) to be Reconciled | \$ (4,755,672.97) | \$ (1,566,260.00) | \$ 1,683,700.00 | \$ (257,100.00) | \$ (4,895,332.97) | | | |
| Profit/(Loss) % of Net Capitation | -9.11% | -6.24% | 5.60% | -1.94% | -4.06% | | | |

Settlement

| | |
|-----------------------------------------------|-------------------|
| Net Capitation (Net of Admin and Premium Tax) | \$ 120,608,167.03 |
| Total Profit/(Loss) to be Reconciled | \$ (4,895,332.97) |
| Profit/(Loss) % of Net Capitation | -4.06% |

| | |
|--------------------------------------------------------------------------|------------------------|
| Amount Due to (from) Contractor: | \$ 1,277,087.96 |
| Premium Tax | \$ 26,063.02 |
| Less amounts previously paid with initial/interim reconciliations | |
| Net Amount Due to (from) Contractor: | <u>\$ 1,303,150.97</u> |

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

| Recon Amount Due to/From Calculation | Excess Loss | Recoup. % | Amount | | Calcs |
|--------------------------------------|-------------|----------------|----------------|----------------|-------|
| | | | Underpaid | Reimburse | |
| <=3% | 0% | \$ (3,618,245) | \$ - | \$ (4,895,333) | |
| x > 3% | 100% | \$ (1,277,088) | \$ (1,277,088) | \$ (1,277,088) | |

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 Contractor bid admin ppm times member months for the reconciliation period.
- 5) Subcapitated/Block Purchase expenses are self reported from Quarterly Financial statements.
- 6) All encounters with a subcap code of 01 and a CN1 code of 05 have been excluded from this reconciliation, since these should be included in the self reported subcapitated/block purchase expenses in #5 above.