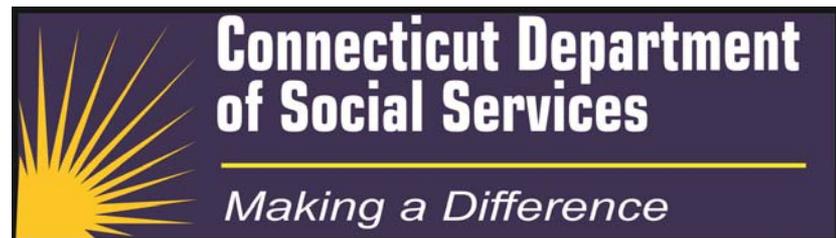
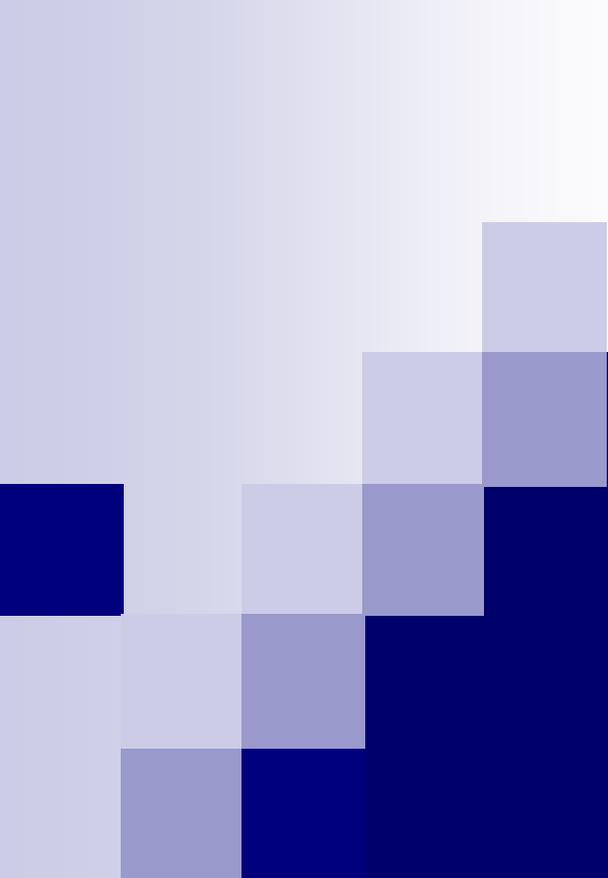
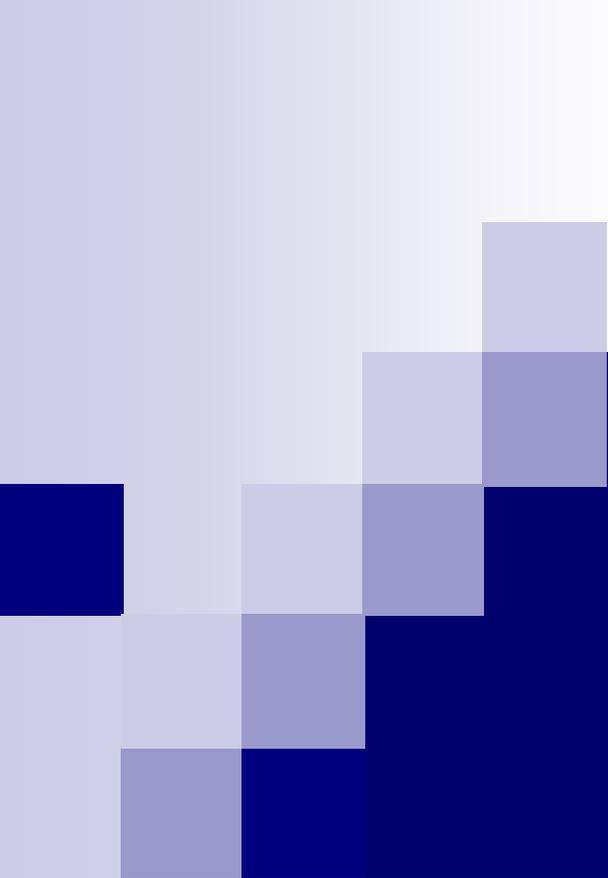


Presentation to the Medicaid  
Care Management  
Oversight Council  
December 10, 2010





# Basis of Medicaid “Actuarially Sound” Rate Range (Mercer)



# Managed Care Program Financials

# HUSKY A

## Revenue & Expense Experience

### Calendar Year 2009

		Aetna	AmeriChoice	CHNCT	All Plans
1	<b>Member Months</b>	978,331	448,981	2,632,713	4,060,025
2	<b>Revenue</b>	\$194,104,680	\$88,521,915	\$500,622,411	\$783,249,006
3	<b>Net Medical Expenses</b>	\$162,911,751	\$76,414,353	\$475,853,255	\$715,179,358
4	<b>Administrative Expenses</b>	\$18,619,395	\$8,968,273	\$26,459,009	\$54,046,678
5	<b>Total Expenses (Line 3 + 4)</b>	\$181,531,146	\$85,382,626	\$502,312,264	\$769,226,036
6	<b>Operating Income (Loss) (Line 2 - 5)</b>	\$12,573,534	\$3,139,289	(\$1,689,853)	\$14,022,970
7	<b>Net Medical Care Ratio (Line 3 / Line 2)</b>	83.9%	86.3%	95.1%	91.3%
8	<b>Administrative Ratio (Line 4 / Line 2)</b>	9.6%	10.1%	5.3%	6.9%
9	<b>Operating Margin (Line 6 / Line 2)</b>	6.5%	3.5%	-0.3%	1.8%
10	<b>Sum of Percentages (Line 7 + 8 + 9)</b>	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue (Line 2 / Line 1)</b>	\$198.40	\$197.16	\$190.15	\$192.92
12	<b>PMPM Net Medical Expenses (Line 3 / Line 1)</b>	\$166.52	\$170.20	\$180.75	\$176.15
13	<b>PMPM Administration (Line 4 / Line 1)</b>	\$19.03	\$19.97	\$10.05	\$13.31
14	<b>PMPM Total Expenses (Line 5 / Line 1)</b>	\$185.55	\$190.17	\$190.80	\$189.46
15	<b>PMPM Operating Margin (Line 6 / Line 1)</b>	\$12.85	\$6.99	(\$0.64)	\$3.45

# HUSKY B

## Revenue & Expense Experience

### Calendar Year 2009

		Aetna	AmeriChoice	CHNCT	All Plans
1	<b>Member Months</b>	53,093	15,311	110,218	178,622
2	<b>Revenue</b>	\$6,938,952	\$1,993,813	\$14,401,033	\$23,333,798
3	<b>Net Medical Expenses</b>	\$4,895,327	\$1,235,884	\$10,336,623	\$16,467,834
4	<b>Administrative Expenses</b>	\$657,764	\$301,788	\$1,097,092	\$2,056,644
5	<b>Total Expenses (Line 3 + 4)</b>	\$5,553,092	\$1,537,672	\$11,433,715	\$18,524,479
6	<b>Operating Income (Loss) (Line 2 - 5)</b>	\$1,385,861	\$456,141	\$2,967,318	\$4,809,319
7	<b>Net Medical Care Ratio (Line 3 / Line 2)</b>	70.5%	62.0%	71.8%	70.6%
8	<b>Administrative Ratio (Line 4 / Line 2)</b>	9.5%	15.1%	7.6%	8.8%
9	<b>Operating Margin (Line 6 / Line 2)</b>	20.0%	22.9%	20.6%	20.6%
10	<b>Sum of Percentages (Line 7 + 8 + 9)</b>	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue (Line 2 / Line 1)</b>	\$130.69	\$130.22	\$130.66	\$130.63
12	<b>PMPM Net Medical Expenses (Line 3 / Line 1)</b>	\$92.20	\$80.72	\$93.78	\$92.19
13	<b>PMPM Administration (Line 4 / Line 1)</b>	\$12.39	\$19.71	\$9.95	\$11.51
14	<b>PMPM Total Expenses (Line 5 / Line 1)</b>	\$104.59	\$100.43	\$103.74	\$103.71
15	<b>PMPM Operating Margin (Line 6 / Line 1)</b>	\$26.10	\$29.79	\$26.92	\$26.92

# Charter Oak

## Revenue & Expense Experience

### Calendar Year 2009

		<b>Aetna</b>	<b>AmeriChoice</b>	<b>CHNCT</b>	<b>All Plans</b>
1	<b>Member Months</b>	51,085	15,447	34,777	101,309
2	<b>Revenue</b>	\$12,115,242	\$2,788,457	\$7,715,037	\$22,618,736
3	<b>Net Medical Expenses</b>	\$10,201,156	\$3,591,308	\$8,689,305	\$22,481,769
4	<b>Administrative Expenses</b>	\$1,148,440	\$302,809	\$375,409	\$1,826,658
5	<b>Total Expenses (Line 3 + 4)</b>	\$11,349,596	\$3,894,117	\$9,064,714	\$24,308,428
6	<b>Operating Income (Loss) (Line 2 - 5)</b>	\$765,646	(\$1,105,660)	(\$1,349,677)	(\$1,689,691)
7	<b>Net Medical Care Ratio (Line 3 / Line 2)</b>	84.2%	128.8%	112.6%	99.4%
8	<b>Administrative Ratio (Line 4 / Line 2)</b>	9.5%	10.9%	4.9%	8.1%
9	<b>Operating Margin (Line 6 / Line 2)</b>	6.3%	-39.7%	-17.5%	-7.5%
10	<b>Sum of Percentages (Line 7 + 8 + 9)</b>	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue (Line 2 / Line 1)</b>	\$237.16	\$180.52	\$221.84	\$223.26
12	<b>PMPM Net Medical Expenses (Line 3 / Line 1)</b>	\$199.69	\$232.49	\$249.86	\$221.91
13	<b>PMPM Administration (Line 4 / Line 1)</b>	\$22.48	\$19.60	\$10.79	\$18.03
14	<b>PMPM Total Expenses (Line 5 / Line 1)</b>	\$222.17	\$252.10	\$260.65	\$239.94
15	<b>PMPM Operating Margin (Line 6 / Line 1)</b>	\$14.99	(\$71.58)	(\$38.81)	(\$16.68)

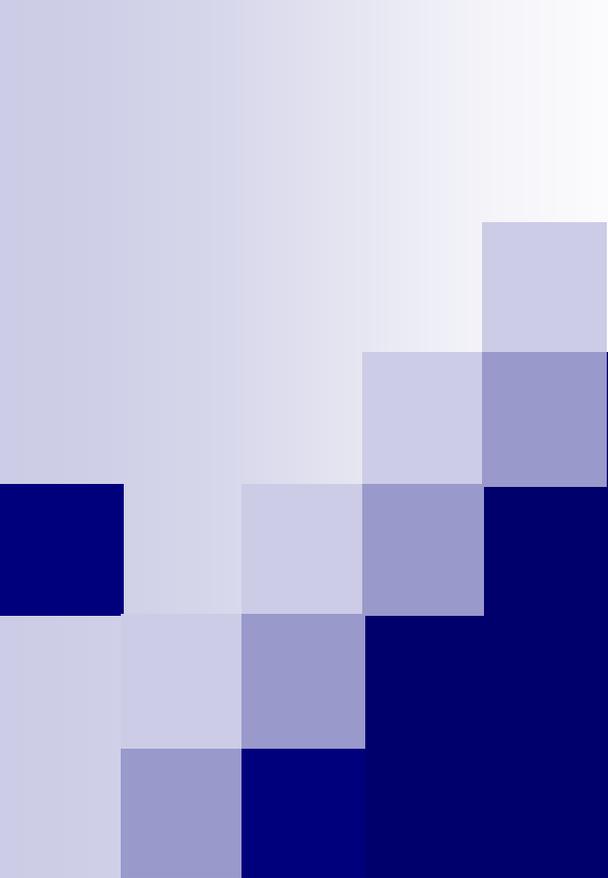
# HUSKY & Charter Oak Revenue & Expense Experience Calendar Year 2009

		<b>Aetna</b>	<b>AmeriChoice</b>	<b>CHN-CT</b>	<b>Total</b>
1	<b>Member Months</b>	1,082,509	479,739	2,777,708	4,339,956
2	<b>Revenue</b>	\$213,158,874	\$93,304,185	\$522,738,481	\$829,201,540
3	<b>Net Medical Expenses</b>	\$178,008,234	\$81,241,546	\$494,879,182	\$754,128,962
4	<b>Administrative Expenses</b>	\$20,425,600	\$9,572,870	\$27,931,510	\$57,929,980
5	<b>Total Expenses (Line 3 + 4)</b>	\$198,433,834	\$90,814,416	\$522,810,692	\$812,058,942
6	<b>Operating Income (Loss) (Line 2 - 5)</b>	\$14,725,040	\$2,489,769	(\$72,212)	\$17,142,598
7	<b>Net Medical Care Ratio (Line 3 / Line 2)</b>	83.5%	87.1%	94.7%	90.9%
8	<b>Administrative Ratio (Line 4 / Line 2)</b>	9.6%	10.3%	5.3%	7.0%
9	<b>Operating Margin (Line 6 / Line 2)</b>	6.9%	2.7%	0.0%	2.1%
10	<b>Sum of Percentages (Line 7 + 8 + 9)</b>	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue (Line 2 / Line 1)</b>	\$196.91	\$194.49	\$188.19	\$191.06
12	<b>PMPM Net Medical Expenses (Line 3 / Line 1)</b>	\$164.44	\$169.35	\$178.16	\$173.76
13	<b>PMPM Administration (Line 4 / Line 1)</b>	\$18.87	\$19.95	\$10.06	\$13.35
14	<b>PMPM Total Expenses (Line 5 / Line 1)</b>	\$183.31	\$189.30	\$188.22	\$187.11
15	<b>PMPM Operating Margin (Line 6 / Line 1)</b>	\$13.60	\$5.19	(\$0.03)	\$3.95

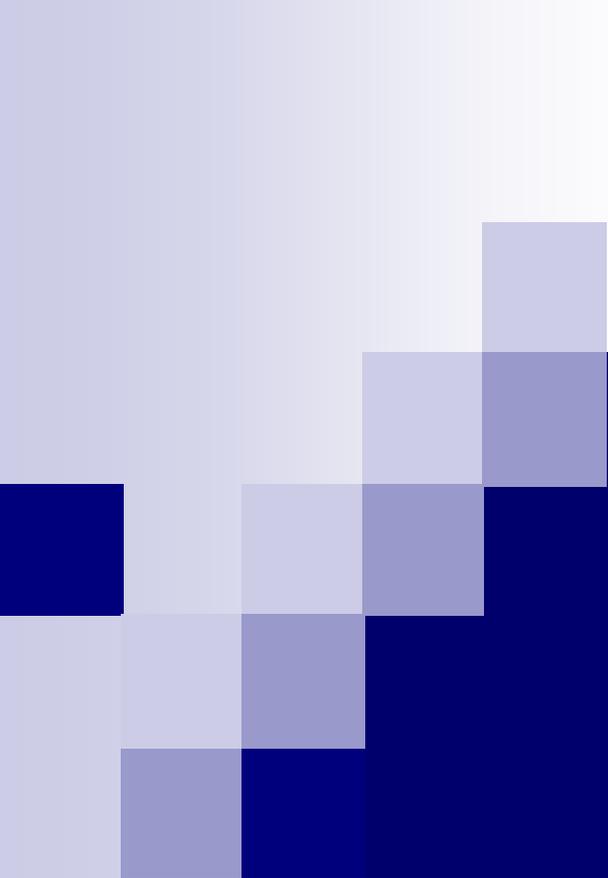
# Comments

- Aetna has the largest percentage of member months (50%) followed by CHNCT (35%) and AmeriChoice (15%).
- Overall, the Charter Oak program reported a pre-tax loss of 7.5% of revenue. Aetna was the only carrier to report a pre-tax profit (6.3% of revenue).
- Aetna's profit was due to a favorable medical care ratio of 84.2%. This was the lowest of the 3 MCOs.
- AmeriChoice reported a pre-tax loss of 39.7% of revenue. They had the highest medical care ratio (128.8%) of the 3 plans.
- CHNCT reported a pre-tax loss of 17.5% of revenue. Their medical care ratio of 112.6% was unfavorable.

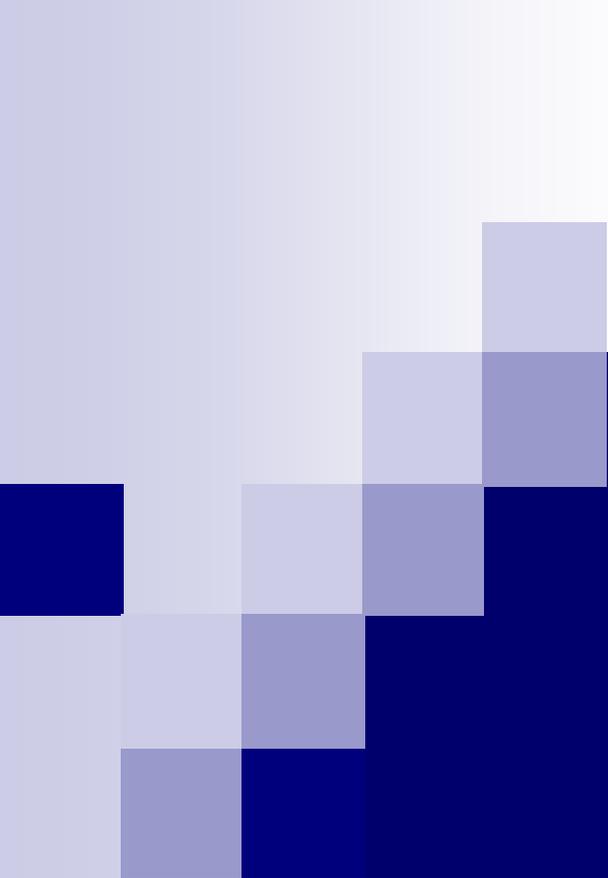




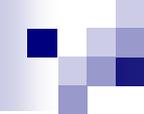
# Updated HUSKY A Revenue and Expense Report (SFY10) (Mercer)



# PIHIP Revenue and Expense Report (CY 2008) (Mercer)



# Assessing Impact of Elimination of Medicaid Rate Floor



# Measures of Access and Network Adequacy

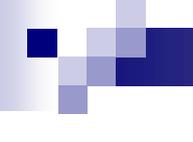
- MCO member access and network adequacy performance are evaluated using a composite of measures
- No single measure is used to determine whether members can get timely needed care
- Multiple measures and sources of data are used to present as complete a picture of client access as possible

(Reports will be listed with report numbers which refer to the reporting grid presented to the Council in March 2010)



# Measures of Access and Network Adequacy Grievance/Complaints

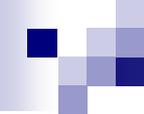
- MCO grievance reports (#58)
  - Complaints to the MCOs from clients, providers and others regarding:
    - “No access” by category (PCP, specialist, hospital)
    - “Delayed access” by category
- HUSKY Infoline (#56)
  - Database maintained by Infoline that tracks client calls regarding issues accessing care and requests for appointment assistance



# Measures of Access and Network Adequacy

## Member Survey

- Consumer Assessment of Healthcare Providers and Systems (CAHPS) (#30)
  - Did you get appointment when you thought you needed it?
  - Do you have a personal doctor?
  - How often was it easy to get appointments with specialists?
  - How easy was it to get care, tests or treatment you thought you needed?
- CAHPS by MCO and compared to national benchmarks



# Measures of Access and Network Adequacy

## HEDIS/Quality Compass

- HEDIS Measures - Access and Utilization Reports (#25-29, #31, #35-37)
  - Access to Preventive/Ambulatory Health Services
  - Access to Primary Care
  - Access to Prenatal and Postpartum Care
  - Child and Adolescent well visits
  - Ambulatory Utilization (outpatient, ED, surgery, obstetrics)
- Quality Compass® comparing MCOs results to national benchmarks and trended over time



# Measures of Access and Network Adequacy

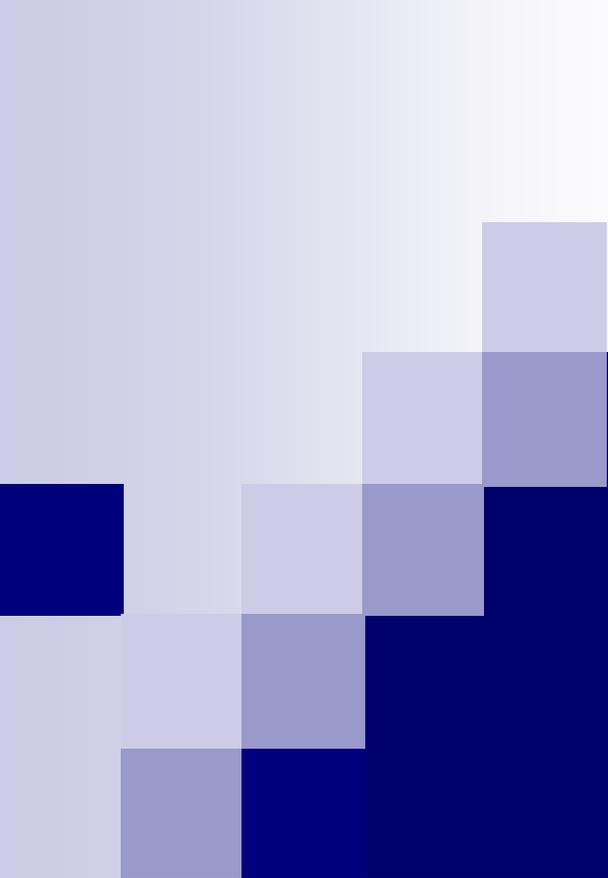
## MCO Provider Reports

- Quarterly PCPs & Specialists Enrollment by County
- MCO Capacity (#46)
  - PCPs and OBGYNs by MCO by County relative to enrollment, trended over time
- Provider Participation (#48)
  - % increase in providers by provider type
- Provider Turnover (#59)
  - Number of providers at beginning and end of reporting period, by MCO, with reasons for leaving the plan

# Measures of Access and Network Adequacy

## MCO Provider Reports

- Out of Network (#50)
  - Utilization of non-network providers
- PCP Panel Report (#47)
  - Lists providers functioning as a PCPs and their caseloads. Allows monitoring of provider caseloads across multiple MCOs and service locations



Questions?