



# Connecticut Department of Social Services

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*--Caring for Connecticut--*

MCO Revenues and Expenses  
for Calendar Year 2010

Connecticut Medicaid Care Management  
Oversight Council

September 9, 2011

# MCO Revenue & Expense Experience<sup>1</sup>

## Calendar Year 2010

	All Programs	Aetna	AmeriChoice	CHNCT	Total
1	<b>Member Months</b>	1,206,801	595,597	3,122,027	4,924,425
2	<b>Premium Revenue</b>	233,931,961	118,003,738	581,720,104	\$933,655,803
3	<b>Net Medical Expenses</b>	203,424,780	107,568,362	553,263,289	\$864,256,430
4	<b>Administrative Expenses</b> (excluding income taxes)	19,188,000	12,213,904	35,610,540	\$67,012,444
5	<b>Total Expenses</b> (Line 3 + 4)	\$222,612,780	\$119,782,265	\$588,873,829	\$931,268,874
6	<b>Premium Income (Loss)</b> (Line 2 - 5)	\$11,319,181	\$(1,778,527)	\$(7,153,725)	\$2,386,929
7	<b>Net Medical Care Ratio</b> (Line 3 / Line 2)	87.0%	91.2%	95.1%	92.6%
8	<b>Administrative Ratio</b> (Line 4 / Line 2)	8.2%	10.4%	6.1%	7.2%
9	<b>Premium Margin</b> (Line 6 / Line 2)	4.8%	-1.5%	-1.2%	0.3%
10	<b>Sum of Percentages</b> (Line 7 + 8 + 9)	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue</b> (Line 2 / Line 1)	\$193.84	\$198.13	\$186.33	\$189.60
12	<b>PMPM Net Medical Expense</b> (Line 3 / Line 1)	\$168.57	\$180.61	\$177.21	\$175.50
13	<b>PMPM Administration</b> (Line 4 / Line 1)	\$15.90	\$20.51	\$11.41	\$13.61
14	<b>PMPM Total Expense</b> (Line 5 / Line 1)	\$184.47	\$201.11	\$188.62	\$189.11
15	<b>PMPM Premium Margin</b> (Line 6 / Line 1)	\$9.38	\$(2.99)	\$(2.29)	\$0.48

<sup>1</sup> Data as reported by plans

# HUSKY A Revenue & Expense Experience Calendar Year 2010

	HUSKY A	Aetna	AmeriChoice	CHNCT	Total
1	<b>Member Months</b>	1,079,461	553,942	2,963,384	4,596,787
2	<b>Premium Revenue</b>	\$210,094,881	\$111,327,271	\$556,512,461	\$877,934,613
3	<b>Net Medical Expenses</b>	\$181,628,334	\$99,316,070	\$529,776,311	\$810,720,715
4	<b>Administrative Expenses</b> (excluding income taxes)	\$17,232,791	\$11,359,330	\$33,706,721	\$62,298,842
5	<b>Total Expenses</b> (Line 3 + 4)	\$198,861,125	\$110,675,400	\$563,483,032	\$873,019,557
6	<b>Premium Income (Loss)</b> (Line 2 - 5)	\$11,233,756	\$651,871	\$(6,970,571)	\$4,915,056
7	<b>Net Medical Care Ratio</b> (Line 3 / Line 2)	86.5%	89.2%	95.2%	92.3%
8	<b>Administrative Ratio</b> (Line 4 / Line 2)	8.2%	10.2%	6.1%	7.1%
9	<b>Premium Margin</b> (Line 6 / Line 2)	5.3%	0.6%	-1.3%	0.6%
10	<b>Sum of Percentages</b> (Line 7 + 8 + 9)	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue</b> (Line 2 / Line 1)	\$194.63	\$200.97	\$187.80	\$190.99
12	<b>PMPM Net Medical Expense</b> (Line 3 / Line 1)	\$168.26	\$179.29	\$178.77	\$176.37
13	<b>PMPM Administration</b> (Line 4 / Line 1)	\$15.96	\$20.51	\$11.37	\$13.55
14	<b>PMPM Total Expense</b> (Line 5 / Line 1)	\$184.22	\$199.80	\$190.15	\$189.92
15	<b>PMPM Premium Margin</b> (Line 6 / Line 1)	\$10.41	\$1.18	\$(2.35)	\$1.07

# HUSKY B Revenue & Expense Experience Calendar Year 2010

	HUSKY B	Aetna	AmeriChoice	CHNCT	All Plans
1	<b>Member Months</b>	58,191	17,183	108,917	184,291
2	<b>Revenue</b>	\$7,577,050	\$2,237,227	\$14,218,370	\$24,032,647
3	<b>Net Medical Expenses</b>	\$5,048,425	\$1,720,993	\$10,484,890	\$17,254,307
4	<b>Administrative Expenses</b> (excluding income taxes)	\$621,499	\$352,309	\$1,249,179	\$2,222,987
5	<b>Total Expenses</b> (Line 3 + 4)	\$5,669,923	\$2,073,302	\$11,734,069	\$19,477,294
6	<b>Premium Income (Loss)</b> (Line 2 - 5)	\$1,907,127	\$163,925	\$2,484,301	\$4,555,352
7	<b>Net Medical Care Ratio</b> (Line 3 / Line 2)	66.6%	76.9%	73.7%	71.8%
8	<b>Administrative Ratio</b> (Line 4 / Line 2)	8.2%	15.7%	8.8%	9.2%
9	<b>Premium Margin:</b> (Line 6 / Line 2)	25.2%	7.3%	17.5%	19.0%
10	<b>Sum of Percentages</b> (Line 7 + 8 + 9)	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue</b> (Line 2 / Line 1)	\$130.21	\$130.20	\$130.54	\$130.41
12	<b>PMPM Net Medical Expense</b> (Line 3 / Line 1)	\$86.76	\$100.16	\$96.26	\$93.63
13	<b>PMPM Administration</b> (Line 4 / Line 1)	\$10.68	\$20.50	\$11.47	\$12.06
14	<b>PMPM Total Expense</b> (Line 5 / Line 1)	\$97.44	\$120.66	\$107.73	\$105.69
15	<b>PMPM Premium Margin</b> (Line 6 / Line 1)	\$32.77	\$9.54	\$22.81	\$24.72

# Charter Oak Revenue & Expense Experience Calendar Year 2010

		Aetna	AmeriChoice	CHNCT	All Plans
1	<b>Member Months</b>	69,149	24,472	49,726	143,347
2	<b>Revenue</b>	\$16,260,030	\$4,439,240	\$10,989,273	\$31,688,543
3	<b>Net Medical Expenses</b>	\$16,748,021	\$6,531,299	\$13,002,088	\$36,281,408
4	<b>Administrative Expenses</b> (excluding income taxes)	\$1,333,710	\$502,264	\$654,640	\$2,490,615
5	<b>Total Expenses</b> (Line 3 + 4)	\$18,081,731	\$7,033,563	\$13,656,728	\$38,772,022
6	<b>Premium Income (Loss)</b> (Line 2 - 5)	\$(1,821,701)	\$(2,594,323)	\$(2,667,455)	\$(7,083,480)
7	<b>Net Medical Care Ratio</b> (Line 3 / Line 2)	103.0%	147.1%	118.3%	114.5%
8	<b>Administrative Ratio</b> (Line 4 / Line 2)	8.2%	11.3%	6.0%	7.9%
9	<b>Premium Margin:</b> (Line 6 / Line 2)	-11.2%	-58.4%	-24.3%	-22.4%
10	<b>Sum of Percentages</b> (Line 7 + 8 + 9)	100.0%	100.0%	100.0%	100.0%
11	<b>PMPM Revenue</b> (Line 2 / Line 1)	\$235.14	\$181.40	\$221.00	\$221.06
12	<b>PMPM Net Medical Expense</b> (Line 3 / Line 1)	\$242.20	\$266.89	\$261.47	\$253.10
13	<b>PMPM Administration</b> (Line 4 / Line 1)	\$19.29	\$20.52	\$13.16	\$17.37
14	<b>PMPM Total Expense</b> (Line 5 / Line 1)	\$261.49	\$287.41	\$274.64	\$270.48
15	<b>PMPM Premium Margin</b> (Line 6 / Line 1)	\$(26.34)	\$(106.01)	\$(53.64)	\$(49.41)

# Summary of MCO Revenue & Expense Experience Calendar Year 2010

		HUSKY A	HUSKY B	CHARTER OAK	COMBINED	AUDITED FINANCIAL STATEMENTS
1	<b>Member Months</b>	4,596,787	184,291	143,347	4,924,425	NA
2	<b>Revenue</b>	\$877,934,613	\$24,032,647	\$31,688,543	\$933,655,803	\$936,514,767
3	<b>Net Medical Expenses</b>	\$810,720,715	\$17,254,307	\$36,281,408	\$864,256,430	\$867,987,742
4	<b>Administrative Expenses</b>	\$62,298,842	\$2,222,987	\$2,490,615	\$67,012,444	\$67,844,819
5	<b>Total Expenses (Line 3 + 4)</b>	\$873,019,557	\$19,477,294	\$38,772,022	\$931,268,874	\$935,832,561
6	<b>Premium Income (Loss) (Line 2 - 5)</b>	\$4,915,056	\$4,555,352	\$(7,083,480)	\$2,386,929	\$682,189



# Comments