



AHCCCS CONTRACTOR OPERATIONS MANUAL
 311 CYE 25 FWD - ATTACHMENT A -
 ACC AND ACC-RBHA PROGRAM TIERED RECONCILIATION - EXAMPLE
 FOR THE CONTRACT YEAR ENDED 09/30/xx
 AS OF: xx/xx/xx
DRAFT

	AGE <1	AGE 1-20	AGE 21+	DUALS	SSI WITHOUT MEDICARE	KIDSCARE	PROP 204 CHILDLESS ADULTS	EXPANSION ADULTS	SMI (ACC-RBHA Only)	Crisis (ACC-RBHA Only)	OTHER ADJUSTMENTS	TOTAL
Medical Revenue Sources												
Prospective Capitation												\$ -
PPC Capitation												\$ -
Delivery Supplemental Payments												\$ -
Reinsurance												\$ -
Less: Administrative Component												\$ -
Less: Premium Tax Component												\$ -
Medical Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Expense Sources												
Fully Adjudicated and Approved Encounters												\$ -
Encounter Completion												\$ -
Plus: Medical Sub-Capitated/Block Purchase Expense												\$ -
Less: CN1 Code 05 Encounters												\$ -
Medical Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for Health Care Quality Improvement (HCQI) Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Profit/(Loss) to be Reconciled = (Medical Revenue-Medical Expense-Provision for HCQI Activities)												
Profit/(Loss) to be Reconciled	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Profit/(Loss) % of Medical Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Member Months												-
SETTLEMENT												
Medical Revenue	\$ -											
Total Profit/(Loss) to be Reconciled	\$ -											
Profit/(Loss) % of Medical Revenue	0.00%											
Amount due to (From) Contractor	\$ -											
Other Adjustments												
Premium Tax	\$ -											
Net amount due to (from) Contractor	\$ -											
Profit Recoupment												
Recon amount due to/from calculation	Excess Profit		Recoup. %	Profit By Band		Recoupment		Calcs				
	<= 2%		0%	\$ -	\$ -	\$ -	\$ -					
	2% < x <= 4%		25%	\$ -	\$ -	\$ -	\$ -					
	4% < x <= 7%		75%	\$ -	\$ -	\$ -	\$ -					
	x > 7%		100%	\$ -	\$ -	\$ -	\$ -					
Loss Reimbursement												
Recon amount due to/from calculation	Excess Loss		Recoup. %	Loss By Band		Reimburse		Calcs				
	<= 1%		0%	\$ -	\$ -	\$ -	\$ -					
	1% < x <= 2%		25%	\$ -	\$ -	\$ -	\$ -					
	2% < x <= 3%		50%	\$ -	\$ -	\$ -	\$ -					
	3% < x <= 4%		75%	\$ -	\$ -	\$ -	\$ -					
	> 4%		100%	\$ -	\$ -	\$ -	\$ -					

Assumptions:

- 1) Medical Revenue includes Prospective and Prior Period Coverage (PPC) Capitation, Delivery Supplemental Payments, and Reinsurance Payments for dates of service within the reconciliation time frame.
- 2) Medical Expenses include all Prospective and PPC fully adjudicated and approved encounters for dates of service within the reconciliation time frame.
- 3) The Administrative Component will be the administrative Per Member Per Month (PMPM) amount built into the cap rates multiplied by the actual member months.
- 4) Medical Sub-Capitated/Block Purchase Expenses are self reported medical amounts from Quarterly Financial statements or final audits.
- 5) All encounters with CN 1 code of 05 with an amount greater than \$0 have been excluded from this reconciliation.



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Medical Revenue Sources												
Prospective Capitation	\$ 58,400,000.00	\$ 128,300,000.00	\$ 102,700,000.00	\$ 41,500,000.00	\$ 40,000,000.00	\$ 29,200,000.00	\$ 112,300,000.00	\$ 60,000,000.00	\$ 373,600,000.00	\$ 39,600,000.00	\$ -	\$ 985,600,000.00
PPC Capitation	\$ 550,000.00	\$ 7,532,000.00	\$ 15,325,000.00	\$ 750,000.00	\$ 2,555,000.00	\$ -	\$ 755,000.00	\$ 699,000.00	\$ 3,577,750.00	\$ -	\$ -	\$ 31,743,750.00
Delivery Supplemental Payments	\$ -	\$ -	\$ 28,400,000.00	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 700,000.00	\$ -	\$ -	\$ -	\$ 29,200,000.00
Reinsurance	\$ 9,200,000.00	\$ 4,600,000.00	\$ 3,300,000.00	\$ 4,900,000.00	\$ 1,300,000.00	\$ 300,000.00	\$ 21,900,000.00	\$ 750,000.00	\$ 4,950,000.00	\$ -	\$ -	\$ 51,200,000.00
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	\$ 27,900,000.00	\$ 3,084,000.00	\$ -	\$ 75,427,680.00
Less: Premium Tax Component	\$ 1,363,000.00	\$ 2,808,640.00	\$ 2,994,500.00	\$ 943,000.00	\$ 877,100.00	\$ 592,000.00	\$ 2,713,100.00	\$ 1,228,980.00	\$ 7,642,555.00	\$ 792,000.00	\$ -	\$ 21,954,875.00
Medical Revenue	\$ 62,387,000.00	\$ 128,123,360.00	\$ 135,387,940.00	\$ 43,107,000.00	\$ 39,877,900.00	\$ 26,900,160.00	\$ 124,687,020.00	\$ 57,581,620.00	\$ 346,585,195.00	\$ 35,724,000.00	\$ -	\$ 1,000,361,195.00
Medical Expense Sources												
Fully Adjudicated and Approved Encounters	\$ 58,615,000.00	\$ 109,630,000.00	\$ 126,550,000.00	\$ 41,805,000.00	\$ 43,630,000.00	\$ 25,935,000.00	\$ 113,240,000.00	\$ 45,975,000.00	\$ 225,750,900.00	\$ 1,875,000.00	\$ -	\$ 793,005,900.00
Encounter Completion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Medical Sub-Capitated/Block Purchase 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	\$ 98,850,000.00	\$ 30,000,000.00	\$ -	\$ 133,550,000.00
Less: CN1 Code 05 Encounters	\$ -	\$ -	\$ -	\$ 1,500.00	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 300,000.00	\$ -	\$ -	\$ 326,500.00
Medical Expense	\$ 59,615,000.00	\$ 110,130,000.00	\$ 127,050,000.00	\$ 42,503,500.00	\$ 43,705,000.00	\$ 26,535,000.00	\$ 114,140,000.00	\$ 46,375,000.00	\$ 324,300,900.00	\$ 31,875,000.00	\$ -	\$ 926,229,400.00
Provision for Health Care Quality Improvement (HCQI) Activities	\$ 596,150.00	\$ 1,101,300.00	\$ 1,270,500.00	\$ 425,035.00	\$ 437,050.00	\$ 265,350.00	\$ 1,141,400.00	\$ 463,750.00	\$ 3,243,009.00	\$ -	\$ -	\$ 8,943,544.00
Profit/(Loss) to be Reconciled = (Medical Revenue-Medical Expense-Provision for HCQI Activities)	\$ 2,175,850.00	\$ 16,892,060.00	\$ 7,067,440.00	\$ 178,465.00	\$ (4,264,150.00)	\$ 99,810.00	\$ 9,405,620.00	\$ 10,742,870.00	\$ 19,041,286.00	\$ 3,849,000.00	\$ -	\$ 65,188,251.00
Profit/(Loss) % of Medical Revenue	3.49%	13.18%	5.22%	0.41%	-10.69%	0.37%	7.54%	18.66%	5.49%	10.77%	0.00%	6.52%
Member Months	150,000	1,410,000	670,000	320,000	120,000	250,000	210,000	50,000	15,000	3,195,000		3,195,000
Settlement												
Medical Revenue	\$ 1,000,361,195.00											
Total Profit/(Loss) to be Reconciled	\$ 65,188,251.00											
Profit/(Loss) % of Medical Revenue	6.52%											
Amount due to (From) Contractor	\$ (23,882,158.38)											
Other Adjustments												
Premium Tax	\$ (487,390.99)											
Net amount due to (from) Contractor	\$ (24,369,549.36)											
Recon amount due to/from calculation												
Excess Profit		Recoup. %		Profit By Band	Recoupment		Calcs					
<=2%		0%	\$	20,007,224	\$ -	\$	65,188,251					
2% < x <= 4%		25%	\$	20,007,224	\$ 5,001,806	\$	45,181,027					
4% < x <= 7		75%	\$	25,173,803	\$ 18,880,352	\$	25,173,803					
x >7%		100%	\$	-	\$ -	\$	-					
Recon amount due to/from calculation												
Excess Loss		Recoup. %		Loss By Band	Reimburse		Calcs					
<=1%		0%	\$	-	\$ -	\$	-					
1% < x <= 2%		25%	\$	-	\$ -	\$	-					
2% < x <= 3%		50%	\$	-	\$ -	\$	-					
3% < x <= 4%		75%	\$	-	\$ -	\$	-					
> 4%		100%	\$	-	\$ -	\$	-					

Assumptions:

- 1) Medical Revenue includes Prospective and Prior Period Coverage (PPC) Capitation, Delivery Supplemental Payments, and Reinsurance Payments for dates of service within the reconciliation time frame.
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- 3) The Administrative Component will be the administrative Per Member Per Month (PMPM) amount built into the cap rates multiplied by the actual member months.
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- 5) All encounters with CN 1 code of 05 with an amount greater than 50 have been excluded from this reconciliation.



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PPC Capitation	\$ 550,000.00	\$ 7,532,000.00	\$ 15,325,000.00	\$ 750,000.00	\$ 2,555,000.00	\$ -	\$ 755,000.00	\$ 699,000.00	\$ 3,577,750.00	\$ -	\$ -	\$ 31,743,750.00
Delivery Supplemental Payments	\$ -	\$ -	\$ 28,400,000.00	\$ -	\$ -	\$ 100,000.00	\$ 700,000.00	\$ -	\$ -	\$ -	\$ -	\$ 29,200,000.00
Reinsurance	\$ 9,200,000.00	\$ 4,600,000.00	\$ 3,300,000.00	\$ 4,900,000.00	\$ 1,300,000.00	\$ 300,000.00	\$ 21,900,000.00	\$ 750,000.00	\$ 4,950,000.00	\$ -	\$ -	\$ 51,200,000.00
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	\$ 27,900,000.00	\$ 3,084,000.00	\$ -	\$ 75,427,680.00
Less: Premium Tax Component	\$ 1,363,000.00	\$ 2,808,640.00	\$ 2,994,500.00	\$ 943,000.00	\$ 877,100.00	\$ 592,000.00	\$ 2,713,100.00	\$ 1,228,980.00	\$ 7,642,555.00	\$ 792,000.00	\$ -	\$ 21,954,875.00
Medical Revenue	\$ 62,387,000.00	\$ 128,123,360.00	\$ 135,387,940.00	\$ 43,107,000.00	\$ 39,877,900.00	\$ 26,900,160.00	\$ 124,687,020.00	\$ 57,581,620.00	\$ 346,585,195.00	\$ 35,724,000.00	\$ -	\$ 1,000,361,195.00
Medical Expense Sources												
Fully Adjudicated and Approved Encounters	\$ 68,615,000.00	\$ 136,630,000.00	\$ 141,550,000.00	\$ 54,305,000.00	\$ 43,630,000.00	\$ 25,935,000.00	\$ 125,240,000.00	\$ 60,975,000.00	\$ 235,750,900.00	\$ 1,875,000.00	\$ -	\$ 894,505,900.00
Expense Completion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Medical Sub-Capitated/Block Purchase 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	\$ 98,850,000.00	\$ 30,000,000.00	\$ -	\$ 133,550,000.00
Less: CN1 Code 05 Encounters	\$ -	\$ -	\$ -	\$ 1,500.00	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 300,000.00	\$ -	\$ -	\$ 326,500.00
Medical Expense	\$ 69,615,000.00	\$ 137,130,000.00	\$ 142,050,000.00	\$ 55,003,500.00	\$ 43,705,000.00	\$ 26,535,000.00	\$ 126,140,000.00	\$ 61,375,000.00	\$ 334,300,900.00	\$ 31,875,000.00	\$ -	\$ 1,027,729,400.00
Provision for Health Care Quality Improvement (HCQI) Activities	\$ 696,150.00	\$ 1,371,300.00	\$ 1,420,500.00	\$ 550,035.00	\$ 437,050.00	\$ 265,350.00	\$ 1,261,400.00	\$ 613,750.00	\$ 3,343,009.00	\$ -	\$ -	\$ 9,958,544.00
Profit/(Loss) to be Reconciled = (Medical Revenue-Medical Expense-Provision for HCQI Activities)	\$ (7,924,150.00)	\$ (10,377,940.00)	\$ (8,082,560.00)	\$ (12,446,535.00)	\$ (4,264,150.00)	\$ 99,810.00	\$ (2,714,380.00)	\$ (4,407,130.00)	\$ 8,941,286.00	\$ 3,849,000.00	\$ -	\$ (37,326,749.00)
Profit/(Loss) % of Medical Revenue	-12.70%	-8.10%	-5.97%	-28.87%	-10.69%	0.37%	-2.18%	-7.65%	2.58%	10.77%	0.00%	-3.73%
Member Months	150,000	1,410,000	670,000	320,000	120,000	250,000	210,000	50,000	15,000	3,195,000		3,195,000
Settlement												
Medical Revenue	\$ 1,000,361,195.00											
Total Profit/(Loss) to be Reconciled	\$ (37,326,749.00)											
Profit/(Loss) % of Medical Revenue	-3.73%											
Amount Due to (From) Contractor	\$ 12,989,643.83											
Other adjustments												
Premium Tax	\$ 265,094.77											
Net amount due to (from) Contractor	\$ 13,254,738.60											
Recon amount due to/from calculation												
Excess Profit		Recoup. %		By Band	Recoupment		Calcs					
<=2%		0%	\$	(10,003,612)	\$	-	\$	(37,326,749)				
2% < x <= 4%		25%	\$	(10,003,612)	\$	(2,500,903)	\$	(27,323,137)				
4% < x <= 7%		75%	\$	(10,003,612)	\$	(5,001,806)	\$	(17,319,525)				
x > 7%		100%	\$	(7,315,913)	\$	(5,486,935)	\$	(7,315,913)				
Recon amount due to/from calculation												
Excess Loss		Recoup. %		By Band	Reimburse		Calcs					
1%		0%	\$	(10,003,612)	\$	-	\$	(37,326,749)				
1% < x <= 2%		25%	\$	(10,003,612)	\$	(2,500,903)	\$	(27,323,137)				
2% < x <= 3%		50%	\$	(10,003,612)	\$	(5,001,806)	\$	(17,319,525)				
3% < x <= 4%		75%	\$	(7,315,913)	\$	(5,486,935)	\$	(7,315,913)				
> 4%		100%	\$	-	\$	-	\$	-				

Assumptions:

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