

**Family Care Financial Summary**  
**Three Months Ending March 31, 2013**  
**(Report Date: July 1, 2013)**

**Background**

- As of the end of the March 31, 2013, financial reporting period, the Family Care program is projected to be a \$1.3 billion program, when annualized for the full 2013 calendar year.
- The program has experienced an 8.7% growth in total capitation payments and a 9.9 % growth in member months during the first three months of 2013, compared to the same period in 2012.
- Seven of the eight MCOs reported a surplus through March 31<sup>st</sup>, and the other reported a loss. The average surplus level was 2.6% of revenue, while the loss was -0.6% of revenue.
- The MCO in a loss position is under increased oversight by DHS & OCI. An intensive planning process is in place, and agency staff is actively monitoring the plan itself, as well as performance relative to the plan, in order to ensure that operational and financial goals are met.
- Preliminary financial results from the MCO expanding into the Chippewa, Dunn, Eau Claire, Pierce, & St. Croix region appear positive, although the Department does not present disaggregated results. These results will be closely monitored over the next several quarters.
- This continued improvement in overall financial results across the program remains consistent with the Department's expectation of increased financial stabilization after the program's initial expansion into a given service region has completed and business operations have normalized.
- The composite, year-to-date Family Care program surplus of \$7.1 million (2.3% of revenue) compares to a gain of \$5.8 million (2.0% of revenue) through the first three months of 2012.
- The Department continues to evaluate differences in financial results that have been experienced across MCOs and to isolate what is unique about those MCOs with stronger financial results.

**Key Metrics**

- *Capitation:* The average capitation revenue decreased by 1.1%, on a per member per month (PMPM) basis, relative to the first three months of 2012. The decrease reflects primarily a continued increase in new, lower acuity, lower cost members.
- *Member services:* There was a 0.9% decrease in overall member services costs, expressed on a PMPM basis, relative to the same time period in 2012. The decrease generally results from the care coordination and contracting strategies adopted by the MCOs, as well as the influx of lower need/lower cost enrollees. Service costs generally decline over time, reflecting the Family Care program model of cost effective, member-centered care planning, so this result is consistent with expectations.
- *Care Management:* Year-to-date results reflect a 2.3% decrease in care management costs, on a PMPM basis, since the quarter ending March 31, 2012. The reported decrease reflects MCOs' continued efforts to streamline care management practices. The cost for this service, \$331 on a per member per month basis, represents an average of 4 – 5 hours of care management per person per month, roughly. This is consistent with historical norms for the program.
- *Administration:* The program continues to achieve administrative savings, with just under 94% of funding used to support the full spectrum of member services and less than 4% of revenue being used to administer the program. The cost to administer the program decreased an additional 8.3%, on a PMPM basis, relative to the same time period in 2012. MCOs continue to focus on generating savings by contracting for claims processing under the Department's master contract, which represents a pooled approach to buying administrative services, through

other MCO-specific initiatives to achieve administrative efficiencies, and through significant economies of scale.

- *Net Income:* Net income for the Family Care program was \$7.1 million for the quarter ending March 31, 2013. As noted above, this compares to a gain of \$5.8 million for the first three months of the same reporting period in the prior year. This represents the 12<sup>th</sup> consecutive quarter in which revenue has exceeded expenses, on a program-wide basis.
- *Solvency:* MCO Working Capital improved by \$40.2 million since the quarter ending March 31, 2012. As of March 31, 2013, total Working Capital across the whole program is \$82.2 million. The Department is closely monitoring the Working Capital of two MCOs which had a negative position, to ensure continued progress on this important liquidity measure. As of March 31, 2013, Restricted Reserves are fully funded by five of eight MCOs, with total funding at 99.7% of requirements. The three MCOs not meeting this requirement are each within 4% of the benchmark. The MCO Solvency Fund, a pooled and segregated fund held by the Department of Administration (DOA), was liquidated in order to fund the care that had been provided to CHP's Family Care enrollees during the end of 2012. MCOs must come back into compliance with this capital requirement by December, 2014, per a fixed deposit schedule. MCOs that do not meet the capital requirements are under fiscal corrective action that requires monthly financial reporting.

### **More Recent Developments**

- CHP ended its participation in Family Care in 2012. The Department is working closely with the court-appointed Receiver overseeing the closure, as well as the new MCO, enrolled members, service providers, and other stakeholders, to ensure continuity of care.
- The program's Solvency Fund was liquidated in order to assist with the continued purchase and provision of care for all of CHP's Family Care enrollees during the end of 2013. Through mid-May, roughly \$5.0 million of the program's \$6.0 million Solvency Fund has been used to fund payments to CHP's former service providers. Sufficient funding remains to cover the costs of all services that had been authorized in 2012.
- Although very preliminary, and therefore subject to change, SFCA's financial results in the same region through the first quarter have been promising. These are attributable to substantial, positive changes within the care management function; its proactive approach to provider relations; and continuing many of the administrative efficiencies it had already identified and implemented in the southwest region of the state.
- The program continues to see increased competition, with Milwaukee County Department of Family Care being issued a permit to offer the program in Ozaukee, Sheboygan, Walworth, Washington, and Waukesha Counties, effective June 1<sup>st</sup>.
- NB has been re-permitted to continue providing Family Care services in its current service region through December, 2013.
- The Department is now re-procuring Family Care services in the region encompassing the counties of Ashland, Barron, Bayfield, Burnett, Douglas, Iron, Polk, Price, Rusk, Sawyer, and Washburn, as well as services within the region that is Milwaukee County.
- The Department and MCOs continue to invest significant staff resources into the ongoing development, refinement, and implementation of the LTC Sustainability initiatives. Several of these initiatives now have contract provisions associated with them.

**Family Care**  
**MCO Financial Statement Summaries**  
**YTD for Period Ending March 31, 2013**

	SFCA	CCCW	LCD	WWC	MCDFC	CCI	CWF	NB	Total
<b>Revenues</b>									
Capitation	41,273,390	28,981,008	23,789,150	31,205,416	63,000,305	76,018,364	35,368,664	17,464,703	317,101,000
Interest Income- Operating Acct	13,362	31,311	0	1,293	0	0	0	4,352	50,318
Other Retro Adjustments, DHS	0	0	0	(11,298)	0	0	0	0	(11,298)
Other Income	(24,101)	40,787	16,859	0	36,697	0	0	0	70,242
<b>Total Service Revenue</b>	<b>41,262,651</b>	<b>29,053,106</b>	<b>23,806,009</b>	<b>31,195,411</b>	<b>63,037,002</b>	<b>76,018,364</b>	<b>35,368,664</b>	<b>17,469,055</b>	<b>317,210,262</b>

**Expenses**

Member Service Expenses	39,154,555	25,625,380	22,429,918	29,149,685	61,042,735	73,108,159	33,047,496	15,507,414	299,065,342
Cost Share	(1,109,493)	(553,209)	(685,695)	(953,388)	(2,527,844)	(1,705,552)	(693,226)	(332,984)	(8,561,391)
Room & Board	(3,465,849)	(2,512,929)	(2,082,162)	(2,175,864)	(4,371,151)	(7,196,305)	(3,514,966)	(1,468,914)	(26,788,140)
Spend Down & Third Party	(188,357)	(209,173)	(272,898)	(67,268)	(517,791)	(617,607)	(341,545)	(90,722)	(2,305,361)
<b>Net Member Services Expenses</b>	<b>34,390,855</b>	<b>22,350,069</b>	<b>19,389,163</b>	<b>25,953,165</b>	<b>53,625,949</b>	<b>63,588,695</b>	<b>28,497,759</b>	<b>13,614,794</b>	<b>261,410,450</b>

Net Care Management Expenses	4,550,584	4,575,131	2,896,454	4,170,440	7,108,578	7,653,804	3,201,952	2,397,583	36,554,526
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Administrative Expenses	1,675,696	1,432,387	1,111,364	1,426,989	1,810,613	2,429,969	1,484,209	1,009,258	12,380,485
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<b>Total Operating Expenses, CY</b>	<b>40,617,135</b>	<b>28,357,587</b>	<b>23,396,981</b>	<b>31,550,595</b>	<b>62,545,141</b>	<b>73,672,468</b>	<b>33,183,920</b>	<b>17,021,634</b>	<b>310,345,462</b>
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<b>Income (Loss) from Operations, CY</b>	<b>645,515</b>	<b>695,519</b>	<b>409,028</b>	<b>(355,184)</b>	<b>491,862</b>	<b>2,345,896</b>	<b>2,184,744</b>	<b>447,420</b>	<b>6,864,801</b>
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**Other (Revenue)/Expense, Ordinary**

Total Other (Revenue)/Expense	(951)	(115,465)	(130,730)	(167,755)	(2,730)	133,267	0	(587)	(284,951)
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<b>Net Income/ (Loss)</b>	<b>646,466</b>	<b>810,984</b>	<b>539,758</b>	<b>(187,429)</b>	<b>494,592</b>	<b>2,212,629</b>	<b>2,184,743</b>	<b>448,007</b>	<b>7,149,751</b>
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**Member Months by FC Target Group**

Developmentally Disabled (DD)	43%	43%	43%	37%	23%	50%	54%	44%	41%
Physically Disabled (PD)	30%	22%	36%	35%	50%	26%	21%	28%	33%
Frail Elder (FE)	27%	35%	21%	27%	27%	24%	26%	29%	27%
<b>Total Member Months</b>	<b>14,079</b>	<b>10,131</b>	<b>8,333</b>	<b>12,038</b>	<b>23,908</b>	<b>24,750</b>	<b>10,880</b>	<b>6,341</b>	<b>110,460</b>

**Key Ratios (as % of Revenue)**

Member Service Expense, Net	83.3%	76.9%	81.4%	83.2%	85.1%	83.6%	80.6%	77.9%	82.4%
Care Management Service Expense	11.0%	15.7%	12.2%	13.4%	11.3%	10.1%	9.1%	13.7%	11.5%
Total Member Service Expense	94.4%	92.7%	93.6%	96.6%	96.3%	93.7%	89.6%	91.7%	93.9%
Administrative Expense	4.1%	4.9%	4.7%	4.6%	2.9%	3.2%	4.2%	5.8%	3.9%
Total Operating Expense	98.4%	97.6%	98.3%	101.1%	99.2%	96.9%	93.8%	97.4%	97.8%
Net Income/(Loss)	1.6%	2.8%	2.3%	-0.6%	0.8%	2.9%	6.2%	2.6%	2.3%

Family Care  
MCO Financial Statement Summaries  
YTD for Period Ending March 31, 2013

	SFCA	CCCW	LCD	WWC	MCDFC	CCI	CWF	NB	Total
<b>Summary PMPM Presentation</b>									
<b>Revenues</b>									
Capitation	2,931.56	2,860.63	2,854.80	2,592.24	2,635.08	3,071.45	3,250.80	2,754.25	2,870.72
Interest Income- Operating Acct	0.95	3.09	0.00	0.11	0.00	0.00	0.00	0.69	0.46
Other Retro Adjustments, DHS	0.00	0.00	0.00	(0.94)	0.00	0.00	0.00	0.00	(0.10)
Other Income	(1.71)	4.03	2.02	0.00	1.53	0.00	0.00	0.00	0.64
<b>Total Revenues</b>	<b>2,930.79</b>	<b>2,867.74</b>	<b>2,856.83</b>	<b>2,591.41</b>	<b>2,636.61</b>	<b>3,071.45</b>	<b>3,250.80</b>	<b>2,754.94</b>	<b>2,871.71</b>
<b>Expenses</b>									
Total Member Service Expenses	2,781.06	2,529.40	2,691.69	2,421.47	2,553.20	2,953.87	3,037.45	2,445.58	2,707.44
Cost Share	(78.80)	(54.61)	(82.29)	(79.20)	(105.73)	(68.91)	(63.72)	(52.51)	(77.51)
Room & Board	(246.17)	(248.04)	(249.87)	(180.75)	(182.83)	(290.76)	(323.07)	(231.65)	(242.51)
Spend Down & Third Party	(13.38)	(20.65)	(32.75)	(5.59)	(21.66)	(24.95)	(31.39)	(14.31)	(20.87)
<b>Net Member Service Expenses</b>	<b>2,442.71</b>	<b>2,206.11</b>	<b>2,326.78</b>	<b>2,155.94</b>	<b>2,242.98</b>	<b>2,569.24</b>	<b>2,619.28</b>	<b>2,147.11</b>	<b>2,366.55</b>
Net Care Management Expenses	323.22	451.60	347.59	346.44	297.33	309.24	294.30	378.11	330.93
Administrative Expenses	119.02	141.39	133.37	118.54	75.73	98.18	136.42	159.16	112.08
<b>Total Operating Expenses, CY</b>	<b>2,884.94</b>	<b>2,799.09</b>	<b>2,807.74</b>	<b>2,620.92</b>	<b>2,616.04</b>	<b>2,976.67</b>	<b>3,049.99</b>	<b>2,684.38</b>	<b>2,809.56</b>
<b>Income (Loss) from Operations, CY</b>	<b>45.85</b>	<b>68.65</b>	<b>49.09</b>	<b>(29.51)</b>	<b>20.57</b>	<b>94.78</b>	<b>200.80</b>	<b>70.56</b>	<b>62.15</b>
<b>Other (Revenue)/Expense, Ordinary</b>									
Total Other (Revenue)/Expense	(0.07)	(11.40)	(15.69)	(13.94)	(0.11)	5.38	0.00	(0.09)	(2.58)
<b>Net Income/(Loss)</b>	<b>45.92</b>	<b>80.05</b>	<b>64.77</b>	<b>(15.57)</b>	<b>20.69</b>	<b>89.40</b>	<b>200.80</b>	<b>70.65</b>	<b>64.73</b>

**Family Care**  
**MCO Financial Statement Summaries**  
**YTD for Period Ending March 31, 2013**

	SFCA	CCCW	LCD	WWC	MCDFC	CCI	CWF	NB	Total
<b>Solvency Protection</b>									
<b>Working Capital</b>									
Current Assets	24,878,689	24,570,612	22,312,482	12,746,102	54,282,139	52,823,112	31,090,858	5,224,435	227,928,429
Current Liabilities	19,461,576	11,823,991	11,201,385	13,044,883	29,046,012	37,513,245	16,651,672	7,015,840	145,758,606
Working Capital	5,417,112	12,746,621	11,111,096	(298,781)	25,236,127	15,309,867	14,439,186	(1,791,405)	82,169,823
Requirement	5,163,431	3,646,281	2,939,717	3,884,096	7,814,444	9,094,460	4,292,121	2,263,840	39,098,391
Excess/(shortage)	253,681	9,100,340	8,171,379	(4,182,877)	17,421,683	6,215,406	10,147,065	(4,055,245)	43,071,432
<b>Restricted Reserve</b>									
Current Restricted Reserve	2,635,227	2,226,970	1,975,757	2,295,522	3,613,571	4,071,907	2,430,997	1,713,048	20,962,999
Required	2,721,144	2,215,427	1,979,906	2,294,699	3,604,815	4,031,487	2,430,707	1,754,613	21,032,798
Excess/(shortage)	(85,917)	11,543	(4,149)	823	8,756	40,420	290	(41,565)	(69,799)
<b>Solvency Fund</b>									
Current Solvency Fund	0	0	0	0	0	0	0	0	0
Required	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	6,000,000
Excess/(shortage)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(6,000,000)
<b>Total Equity</b>	<b>9,526,480</b>	<b>16,901,147</b>	<b>13,711,535</b>	<b>2,691,327</b>	<b>28,247,532</b>	<b>29,899,951</b>	<b>19,844,074</b>	<b>83,532</b>	<b>120,905,578</b>

**PACE and Family Care Partnership Financial Summary**  
**Three Months ending March 31, 2013**  
**(Report Date: July 1, 2013)**

**Background**

- Based on the CY 2013 financial reporting through March 31, PACE and Partnership are projected to be \$212 million programs on an annualized basis.
- The program has experienced a 28.0% decline in total capitation payments and a 28.7% decline in member months during the first three months of 2013, compared to the same period in 2012.
- Most of these declines are related to the departure of PHP from the program. Across the other MCOs, the program experienced 9.9% growth in total capitation payments and a 7.1% growth in member months during the first three months of 2013, compared to the same period in 2012.
- Medicare is the source of 37.4% of the programs' overall capitation funding. These general proportions of Medicaid and Medicare funding have been stable for some time.
- Taking into account the federal matching rate on the Medicaid capitation, the federal government funds roughly 75% of the combined capitation amounts, while the state funds about 25%.
- The Department continues to monitor Medicare policy changes affecting payment rates for Medicare Advantage plans, as well as results from studies of the appropriateness of the payment formula for plans that serve a more complex membership such as the PACE/Partnership organizations. These studies are required by the national health care reform legislation.
- Primary financial regulatory responsibility for the PACE and Family Care Partnership programs is carried out by the Office of the Commissioner of Insurance (OCI) as the regulator of all HMOs within the State. OCI monitors solvency of all HMOs and requires financial reporting on a statutory basis. The Department monitors the fiscal operations and financial results that are reported using generally accepted accounting principles (GAAP).

**Key Metrics**

*Note: The inclusion of the Medicare funding stream creates additional complexities in assembling, interpreting, and drawing conclusions from these metrics. Expenses are not separated by major funding stream on a systematic, program-wide basis.*

- *Capitation:* The average Medicaid capitation for PACE/Partnership, on a per member per month (PMPM) basis, was \$3,230, while the Medicare capitation was \$1,933 PMPM. This compares to the first three months of 2012, when the comparable numbers were \$3,323 for Medicaid and \$1,787 for Medicare. Medicaid capitation rates decreased by 2.8% and Medicare capitation rates increased by 8.2%, respectively, relative to the first three months of 2012. (The Medicare increase includes one MCO-specific technical change that is significant enough to warrant mention. Certain revenue items that had previously been netted against expenses in the prior year's reporting have now been reclassified; this change increased the 2013 Medicare capitation amounts that were reported, as well as 2013 primary and acute care expenditures.)
  - Excluding PHP from the base period for purposes of a more accurate comparison, the 2013 rates changed as follows: Medicaid rates decreased 1.3%, and Medicare rates increased 9.9%.

- *Member Service expenses:* On a PMPM basis, net member services expenses were \$4,324 PMPM for the first three months of 2013, compared to \$4,242 for the same period in 2012. This represents an increase of 1.9%.
  - Excluding PHP from the base period for purposes of a more accurate comparison, the 2012 expenses were \$4,238, and the annual increase is 2.0%.
- *Care Management expenses:* The PMPM of \$461 for 2013 represents a 30.1% decrease, compared to the \$659 PMPM reported for the same time period in 2012. Several of the Partnership MCOs have initiatives in place to examine, and improve, the way care management is structured and delivered within their organization.
  - Excluding PHP from the base period for purposes of a more accurate comparison, the 2012 expenses were \$566, on a PMPM basis, and the annual decrease is 18.6%.
- *Administrative expenses:* Expenses, on a PMPM basis, were \$231. This represents a 1.3% decrease, compared to the same time period in 2012, when expenses were \$234 PMPM. While there has been little change in the administrative cost structure over the past two years, the benchmark prior to 2011 had been in the \$300 – \$400 PMPM range.
  - Excluding PHP from the base period for purposes of a more accurate comparison, the 2012 expenses were \$201, on a PMPM basis, and the annual increase is 15.0%.
- *Net Income:* The PACE/Partnership programs reported a \$2.2 million surplus for the first three months of 2013, compared to a \$0.4 million surplus for the same period in 2012. The program as a whole shows a 4.2% positive margin; however, there is variation in performance by MCO.
  - Excluding the results of PHP, the first quarter of 2012 would have shown a \$0.6 million surplus.

### **More Recent Developments**

- PHP ended its participation in Family Care Partnership in 2012. The program is no longer offered in that five county service region: Chippewa, Dunn Eau Claire, Pierce, and St. Croix Counties. The Department prioritized continuity of care for transitioning members.
- The Department is currently re-procuring Family Care Partnership services in Dane County and in Milwaukee County.
- The Department and MCOs continue to invest significant staff resources into the ongoing development, refinement, and implementation of the LTC Sustainability initiatives. Several of these initiatives now have contract provisions associated with them.
- The Department continues to monitor anticipated shifts in Medicare funding levels, as the Affordable Care Act is fully implemented.
- Given the increased interest in integrating services and funding for dual eligibles, the Department has been investing increased analytical resources into better understanding MCO performance relative to each funding source.

**Family Care Partnership/PACE  
MCO Financial Statement Summaries  
YTD for Period Ending March 31, 2013**

	Care WI- CWHP	CCI-CCHP	iCare	Total
<b>Revenues</b>				
Capitation-MA	12,458,696	14,031,503	6,400,310	32,890,509
Capitation- MC	8,666,483	9,028,931	1,989,964	19,685,378
Interest Income-Operating Acct	5,203	-	38,038	43,241
Other Retro Adjustments, DHS	18,408	-	-	18,408
Other Income	9,664	468,079	-	477,742
<b>Total Revenues</b>	<b>21,158,454</b>	<b>23,528,512</b>	<b>8,428,312</b>	<b>53,115,278</b>

<b>Expenses</b>				
Total Acute & Primary Services	7,675,782	9,211,715	5,426,485	22,313,982
Total LTC-Family Care Expenses	9,725,383	12,554,027	1,823,382	24,102,792
Cost Share	(383,137)	(364,902)	(20,935)	(768,974)
Room & Board	(660,077)	(764,882)	(95,102)	(1,520,061)
Spend Down & Third Party	(60,725)	(39,770)	-	(100,495)
<b>Net Member Services Expenses</b>	<b>16,297,227</b>	<b>20,596,187</b>	<b>7,133,830</b>	<b>44,027,244</b>
Net Care Management Expenses	1,934,768	1,849,849	907,436	4,692,053

Administrative Expenses	1,314,451	527,197	507,942	2,349,591
<b>Total Operating Expenses</b>	<b>19,546,446</b>	<b>22,973,234</b>	<b>8,549,208</b>	<b>51,068,888</b>
<b>Income (Loss) from Operations, CY</b>	<b>1,612,007</b>	<b>555,279</b>	<b>(120,896)</b>	<b>2,046,390</b>

<b>Other (Revenue)/Expense, Operating</b>				
Total Other (Revenue)/Expense	(37,482)	(3,577)	(136,612)	(177,670)
<b>Net Income/ (Loss)</b>	<b>1,649,489</b>	<b>558,856</b>	<b>15,716</b>	<b>2,224,061</b>

<b>Member Months by FC Target Group</b>				
Developmentally Disabled (DD)	10%	10%	29%	14%
Physically Disabled (PD)	52%	40%	69%	50%
Frail Elder (FE)	38%	50%	2%	36%
<b>Total Member Months</b>	<b>3,974</b>	<b>4,193</b>	<b>2,016</b>	<b>10,183</b>

<b>Key Ratios (as % of Revenue)</b>				
Member Service Expense, Net	77.0%	87.5%	84.6%	82.9%
Care Management Service Expense	9.1%	7.9%	10.8%	8.8%
Total Member Service Expense	86.2%	95.4%	95.4%	91.7%
Administrative Expense	6.2%	2.2%	6.0%	4.4%
Total Operating Expense	92.4%	97.6%	101.4%	96.1%
<b>Net Income/ (Loss)</b>	<b>7.8%</b>	<b>2.4%</b>	<b>0.2%</b>	<b>4.2%</b>

**Family Care Partnership/PACE  
MCO Financial Statement Summaries  
YTD for Period Ending March 31, 2013**

	Care WI- CWHP	CCI-CCHP	iCare	Total
<b>Summary PMPM Presentation</b>				
<b>Revenues</b>				
Capitation-MA	3,135.42	3,346.41	3,174.76	3,230.09
Capitation- MC	2,181.05	2,153.33	987.09	1,933.25
Interest Income-Operating Acct	1.31	-	18.87	4.25
Other Retro Adjustments, DHS	4.63	-	-	1.81
Other Income	2.43	111.63	-	46.92
<b>Total Revenues</b>	<b>5,324.85</b>	<b>5,611.38</b>	<b>4,180.71</b>	<b>5,216.31</b>
<b>Expenses</b>				
Total Acute & Primary Services	1,931.73	2,196.93	2,691.71	2,191.40
Total LTC-Family Care Expenses	2,447.54	2,994.04	904.46	2,367.07
Cost Share	(96.42)	(87.03)	(10.38)	(75.52)
Room & Board	(166.12)	(182.42)	(47.17)	(149.28)
Spend Down & Third Party	(15.28)	(9.48)	-	(9.87)
<b>Net Member Services Expenses</b>	<b>4,101.45</b>	<b>4,912.04</b>	<b>3,538.61</b>	<b>4,323.80</b>
Net Care Management Expenses	486.91	441.18	450.12	460.79
Administrative Expenses	330.80	125.73	251.96	230.75
Total Operating Expenses, CY	4,919.16	5,478.95	4,240.68	5,015.34
<b>Income (Loss) from Operations, CY</b>	<b>405.69</b>	<b>132.43</b>	<b>(59.97)</b>	<b>200.97</b>
<b>Other (Revenue)/Expense, Ordinary</b>				
Total Other (Revenue)/Expense	(9.43)	(0.85)	(67.76)	(17.45)
<b>Net Income/ (Loss)</b>	<b>415.12</b>	<b>133.28</b>	<b>7.80</b>	<b>218.42</b>

**Family Care**  
**MCO Financial Statement Summaries**  
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	Audited SFCA	Audited CCCW	Audited LCD	Audited WWC	Preliminary MCDFC	Audited CCI	Audited CWF	Preliminary CHP-LTS	Audited NB	Total
<b>Revenues</b>										
Capitation	66,196,409	117,854,699	93,003,596	121,262,249	245,981,640	293,079,840	139,912,374	48,846,401	70,136,104	1,196,273,312
Interest Income- Operating Acct	33,335	101,617	0	4,953	0	0	0	0	17,061	156,966
Other Retro Adjustments, DHS	888,119	1,110,108	2,763,000	(79,236)	954,018	5,639,678	2,225,000	0	633,324	14,134,011
Other Income	9,683	163,351	88,939	6,357	129,943	0	0	0	84,078	482,351
<b>Total Service Revenue</b>	<b>67,127,546</b>	<b>119,229,775</b>	<b>95,855,535</b>	<b>121,194,323</b>	<b>247,065,601</b>	<b>298,719,518</b>	<b>142,137,374</b>	<b>48,846,401</b>	<b>70,870,567</b>	<b>1,211,046,640</b>
<b>Expenses</b>										
Member Service Expenses	60,214,829	101,803,159	88,357,669	113,178,484	238,436,403	284,673,308	130,852,361	45,460,286	65,742,797	1,128,719,296
Cost Share	(1,468,079)	(1,979,154)	(2,393,866)	(3,482,246)	(10,148,103)	(6,128,366)	(2,632,082)	(536,291)	(1,251,984)	(30,020,171)
Room & Board	(5,189,996)	(10,161,192)	(8,311,143)	(8,058,557)	(17,542,334)	(27,121,602)	(13,768,227)	(4,192,156)	(5,835,125)	(100,180,332)
Spend Down & Third Party	(197,232)	(938,934)	(1,091,145)	(278,025)	(2,100,155)	(2,171,589)	(1,235,733)	(239,252)	(273,451)	(8,525,516)
<b>Net Member Services Expenses</b>	<b>53,359,522</b>	<b>88,723,879</b>	<b>76,561,515</b>	<b>101,359,656</b>	<b>208,645,811</b>	<b>249,251,751</b>	<b>113,216,319</b>	<b>40,492,587</b>	<b>58,382,237</b>	<b>989,993,277</b>
Net Care Management Expenses	7,852,348	16,913,897	11,600,845	16,115,406	28,667,329	29,562,045	12,985,240	6,574,709	9,745,498	140,017,317
Administrative Expenses	4,048,517	5,317,006	4,165,508	5,422,006	8,712,664	8,950,490	6,279,648	2,281,854	4,132,756	49,310,449
<b>Total Operating Expenses, CY</b>	<b>65,260,387</b>	<b>110,954,782</b>	<b>92,327,868</b>	<b>122,897,068</b>	<b>246,025,804</b>	<b>287,764,286</b>	<b>132,481,207</b>	<b>49,349,150</b>	<b>72,260,491</b>	<b>1,179,321,043</b>
<b>Income (Loss) from Operations, CY</b>	<b>1,867,159</b>	<b>8,274,993</b>	<b>3,527,667</b>	<b>(1,702,745)</b>	<b>1,039,797</b>	<b>10,955,232</b>	<b>9,656,167</b>	<b>(502,749)</b>	<b>(1,389,924)</b>	<b>31,725,597</b>
<b>Other (Revenue)/Expense, Ordinary</b>										
Total Other (Revenue)/Expense	(137,092)	(265,991)	(152,289)	77,240	(2,330,840)	(1,029,713)	(294,261)	(236,473)	(165,874)	(4,535,293)
<b>Other (Revenues) Expenses, Extraordinary</b>										
Liquidation of Solvency Fund	750,000	750,000	750,000	750,000	750,000	750,000	750,000	0	750,000	6,000,000
<b>Net Income/ (Loss)</b>	<b>1,254,251</b>	<b>7,790,984</b>	<b>2,929,956</b>	<b>(2,529,985)</b>	<b>2,620,637</b>	<b>11,234,945</b>	<b>9,200,428</b>	<b>(266,276)</b>	<b>(1,974,050)</b>	<b>30,260,890</b>
<b>Member Months by FC Target Group</b>										
Developmentally Disabled (DD)	44%	44%	42%	38%	23%	52%	54%	60%	44%	42%
Physically Disabled (PD)	29%	21%	32%	34%	51%	25%	21%	24%	28%	32%
Frail Elder (FE)	27%	35%	26%	28%	27%	23%	25%	16%	28%	26%
<b>Member Months</b>	<b>24,455</b>	<b>39,465</b>	<b>32,776</b>	<b>46,156</b>	<b>93,918</b>	<b>94,097</b>	<b>42,409</b>	<b>14,525</b>	<b>24,961</b>	<b>412,762</b>
<b>Key Ratios (as % of Revenue)</b>										
Member Service Expense, Net	79.5%	74.4%	79.9%	83.6%	84.4%	83.4%	79.7%	82.9%	82.4%	81.7%
Care Management Service Expense	11.7%	14.2%	12.1%	13.3%	11.6%	9.9%	9.1%	13.5%	13.8%	11.6%
Total Member Service Expense	91.2%	88.6%	92.0%	96.9%	96.1%	93.3%	88.8%	96.4%	96.1%	93.3%
Administrative Expense	6.0%	4.5%	4.3%	4.5%	3.5%	3.0%	4.4%	4.7%	5.8%	4.1%
Total Operating Expense	97.2%	93.1%	96.3%	101.4%	99.6%	96.3%	93.2%	101.0%	102.0%	97.4%
<b>Net Income/(Loss)</b>	<b>1.9%</b>	<b>6.5%</b>	<b>3.1%</b>	<b>-2.1%</b>	<b>1.1%</b>	<b>3.8%</b>	<b>6.5%</b>	<b>-0.5%</b>	<b>-2.8%</b>	<b>2.5%</b>

Family Care  
MCO Financial Statement Summaries  
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	Audited SFCA	Audited CCCW	Audited LCD	Audited WWC	Preliminary MCDFC	Audited CCI	Audited CWF	Preliminary CHP-LTS	Audited NB	Total
<b>Summary PMPM Presentation</b>										
<b>Revenues</b>										
Capitation	2,706.87	2,986.31	2,837.55	2,627.23	2,619.11	3,114.66	3,299.12	3,362.92	2,809.83	2,898.22
Interest Income- Operating Acct	1.36	2.57	0.00	0.11	0.00	0.00	0.00	0.00	0.68	0.38
Other Retro Adjustments, DHS	36.32	28.13	84.30	(1.72)	10.16	59.93	52.47	0.00	25.37	34.24
Other Income	0.40	4.14	2.71	0.14	1.38	0.00	0.00	0.00	3.37	1.17
<b>Total Revenues</b>	<b>2,744.94</b>	<b>3,021.15</b>	<b>2,924.56</b>	<b>2,625.75</b>	<b>2,630.65</b>	<b>3,174.59</b>	<b>3,351.59</b>	<b>3,362.92</b>	<b>2,839.25</b>	<b>2,934.01</b>
<b>Expenses</b>										
Total Member Service Expenses	2,462.27	2,579.58	2,695.80	2,452.09	2,538.77	3,025.32	3,085.49	3,129.80	2,633.82	2,734.55
Cost Share	(60.03)	(50.15)	(73.04)	(75.45)	(108.05)	(65.13)	(62.06)	(36.92)	(50.16)	(72.73)
Room & Board	(212.23)	(257.47)	(253.57)	(174.59)	(186.78)	(288.23)	(324.65)	(288.62)	(233.77)	(242.71)
Spend Down & Third Party	(8.07)	(23.79)	(33.29)	(6.02)	(22.36)	(23.08)	(29.14)	(16.47)	(10.96)	(20.65)
<b>Net Member Service Expenses</b>	<b>2,181.95</b>	<b>2,248.17</b>	<b>2,335.90</b>	<b>2,196.02</b>	<b>2,221.57</b>	<b>2,648.88</b>	<b>2,669.63</b>	<b>2,787.79</b>	<b>2,338.94</b>	<b>2,398.46</b>
Net Care Management Expenses	321.09	428.58	353.94	349.15	305.24	314.17	306.19	452.65	390.43	339.22
Administrative Expenses	165.55	134.73	127.09	117.47	92.77	95.12	148.07	157.10	165.57	119.46
<b>Total Operating Expenses, CY</b>	<b>2,668.59</b>	<b>2,811.47</b>	<b>2,816.94</b>	<b>2,662.65</b>	<b>2,619.58</b>	<b>3,058.17</b>	<b>3,123.89</b>	<b>3,397.53</b>	<b>2,894.94</b>	<b>2,857.15</b>
<b>Income (Loss) from Operations, CY</b>	<b>76.35</b>	<b>209.68</b>	<b>107.63</b>	<b>(36.89)</b>	<b>11.07</b>	<b>116.42</b>	<b>227.69</b>	<b>(34.61)</b>	<b>(55.68)</b>	<b>76.86</b>
<b>Other (Revenue)/Expense, Ordinary</b>										
Total Other (Revenue)/Expense	(5.61)	(6.74)	(4.65)	1.67	(24.82)	(10.94)	(6.94)	(16.28)	(6.65)	(10.99)
<b>Other (Revenue) Expense, Extraordinary</b>										
Liquidation of Solvency Fund	30.67	19.00	22.88	16.25	7.99	7.97	17.68	0.00	30.05	14.54
<b>Net Income/(Loss)</b>	<b>51.29</b>	<b>197.42</b>	<b>89.39</b>	<b>(54.81)</b>	<b>27.90</b>	<b>119.40</b>	<b>216.95</b>	<b>(18.33)</b>	<b>(79.09)</b>	<b>73.31</b>

Family Care  
MCO Financial Statement Summaries  
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	Audited SFCA	Audited CCCW	Audited LCD	Audited WWC	Preliminary MCDFC	Audited CCI	Audited CWF	Preliminary CHP-LTS	Audited NB	Total
<b>Solvency Protection</b>										
<b>Working Capital</b>										
Current Assets	12,467,792	24,120,938	20,416,091	12,513,493	51,738,524	51,261,378	30,553,815	5,229,467	5,644,714	213,946,212
Current Liabilities	6,678,956	12,237,492	9,818,075	12,372,522	27,037,280	37,240,640	18,460,987	10,804,448	7,901,457	142,551,857
Working Capital	5,788,836	11,883,446	10,598,016	140,971	24,701,244	14,020,738	12,092,828	(5,574,981)	(2,256,743)	71,394,355
Requirement	1,882,078	3,506,332	2,706,366	3,453,086	6,839,825	8,614,501	4,190,897	1,489,474	2,031,410	34,713,969
Excess/(shortage)	3,906,758	8,377,114	7,891,650	(3,312,115)	17,861,419	5,406,237	7,901,931	(7,064,455)	(4,288,153)	36,680,386
<b>Restricted Reserve</b>										
Current Restricted Reserve	1,680,760	2,185,804	1,949,026	2,153,983	3,612,680	3,890,483	2,426,151	0	1,711,381	19,610,268
Required	1,627,359	2,168,777	1,902,122	2,151,029	3,279,942	3,871,500	2,396,966	1,492,982	1,677,137	20,567,814
Excess/(shortage)	53,401	17,027	46,904	2,954	332,738	18,983	29,185	(1,492,982)	34,244	(957,546)
<b>Solvency Fund</b>										
Current Solvency Fund	0	0	0	0	0	0	0	0	0	0
Required	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	6,750,000
Excess/(shortage)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(6,750,000)
Total Equity	8,880,013	16,090,162	13,171,777	2,878,755	27,711,757	27,671,555	17,656,026	(5,574,980)	(364,475)	108,120,590

**Family Care Partnership/PACE**  
**MCO Financial Statement Summaries**  
**YTD for Period Ending December 31, 2012**

	Preliminary CHP-PHP	Audited Care WI- CWHP	Audited CCI-CCHP	Audited iCare	Total
<b>Revenues</b>					
Capitation-MA	62,982,293	52,854,150	54,647,001	19,983,404	190,466,848
Capitation- MC	34,509,702	35,677,223	35,194,622	6,469,386	111,850,933
Interest Income-Operating Acct	-	1,573	-	131,968	133,541
Other Retro Adjustments, DHS	-	381,820	(140,565)	635,876	877,131
Other Income	247,291	147,281	665,156	-	1,059,728
<b>Total Revenues</b>	<b>97,739,286</b>	<b>89,062,047</b>	<b>90,366,214</b>	<b>27,220,634</b>	<b>304,388,181</b>

<b>Expenses</b>					
Total Acute & Primary Services	30,913,542	30,009,834	38,502,021	16,716,039	116,141,436
Total LTC-Family Care Expenses	55,357,278	40,277,527	49,780,674	5,159,070	150,574,549
Cost Share	(2,122,145)	(1,449,591)	(1,526,552)	(51,503)	(5,149,791)
Room & Board	(4,431,026)	(2,674,150)	(2,847,143)	(304,087)	(10,256,406)
Spend Down & Third Party	(684,087)	(236,128)	(123,985)	(2,993)	(1,047,193)
<b>Net Member Services Expenses</b>	<b>79,033,561</b>	<b>65,927,492</b>	<b>83,785,015</b>	<b>21,516,526</b>	<b>250,262,594</b>
Net Care Management Expenses	15,750,926	11,838,197	5,831,087	2,753,844	36,174,054
Administrative Expenses	5,268,106	6,074,618	1,704,334	1,807,728	14,854,786
<b>Total Operating Expenses</b>	<b>100,052,593</b>	<b>83,840,307</b>	<b>91,320,436</b>	<b>26,078,098</b>	<b>301,291,434</b>
<b>Income (Loss) from Operations, CY</b>	<b>(2,313,307)</b>	<b>5,221,740</b>	<b>(954,222)</b>	<b>1,142,536</b>	<b>3,096,747</b>
<b>Other (Revenue)/Expense, Operating</b>					
Total Other (Revenue)/Expense	(575,725)	(1,209,825)	(884,548)	736,490	(1,933,608)
<b>Net Income/ (Loss)</b>	<b>(1,737,582)</b>	<b>6,431,565</b>	<b>(69,674)</b>	<b>406,046</b>	<b>5,030,355</b>

<b>Member Months by FC Target Group</b>					
Developmentally Disabled (DD)	27%	11%	9%	29%	17%
Physically Disabled (PD)	35%	50%	39%	69%	44%
Frail Elder (FE)	38%	40%	52%	2%	38%
<b>Total Member Months</b>	<b>18,440</b>	<b>15,730</b>	<b>16,878</b>	<b>6,447</b>	<b>57,495</b>

<b>Key Ratios (as % of Revenue)</b>					
Member Service Expense, Net	80.9%	74.0%	92.7%	79.0%	82.2%
Care Management Service Expense	16.1%	13.3%	6.5%	10.1%	11.9%
Total Member Service Expense	97.0%	87.3%	99.2%	89.2%	94.1%
Administrative Expense	5.4%	6.8%	1.9%	6.6%	4.9%
Total Operating Expense	102.4%	94.1%	101.1%	95.8%	99.0%
<b>Net Income/ (Loss)</b>	<b>-1.8%</b>	<b>7.2%</b>	<b>-0.1%</b>	<b>1.5%</b>	<b>1.7%</b>

	Preliminary CHP-PHP	Audited Care WI- CWHP	Audited CCI-CCHP	Audited iCare	Total
<b>Summary PMPM Presentation</b>					
<b>Revenues</b>					
Capitation-MA	3,415.53	3,360.09	3,237.77	3,099.64	3,312.75
Capitation- MC	1,871.46	2,268.10	2,085.24	1,003.47	1,945.40
Interest Income-Operating Acct	-	0.10	-	20.47	2.32
Other Retro Adjustments, DHS	-	24.27	(8.33)	98.63	15.26
Other Income	13.41	9.36	39.41	-	18.43
<b>Total Revenues</b>	<b>5,300.40</b>	<b>5,661.92</b>	<b>5,354.08</b>	<b>4,222.22</b>	<b>5,294.17</b>
<b>Expenses</b>					
Total Acute & Primary Services	1,676.44	1,907.81	2,281.20	2,592.84	2,020.03
Total LTC-Family Care Expenses	3,002.02	2,560.55	2,949.44	800.23	2,618.92
Cost Share	(115.08)	(92.15)	(90.45)	(7.99)	(89.57)
Room & Board	(240.29)	(170.00)	(168.69)	(47.17)	(178.39)
Spend Down & Third Party	(37.10)	(15.01)	(7.35)	(0.46)	(18.21)
<b>Net Member Services Expenses</b>	<b>4,285.98</b>	<b>4,191.19</b>	<b>4,964.16</b>	<b>3,337.45</b>	<b>4,352.77</b>
Net Care Management Expenses	854.17	752.59	345.48	427.15	629.17
Administrative Expenses	285.69	386.18	100.98	280.40	258.37
Total Operating Expenses, CY	5,425.85	5,329.96	5,410.62	4,045.00	5,240.31
<b>Income (Loss) from Operations, CY</b>	<b>(125.45)</b>	<b>331.96</b>	<b>(56.54)</b>	<b>177.22</b>	<b>53.86</b>
<b>Other (Revenue)/Expense, Ordinary</b>					
Total Other (Revenue)/Expense	(31.22)	(76.91)	(52.41)	114.24	(33.63)
<b>Net Income/ (Loss)</b>	<b>(94.23)</b>	<b>408.87</b>	<b>(4.13)</b>	<b>62.98</b>	<b>87.49</b>