

ANNUAL STATEMENT INSTRUCTIONS – HEALTH**EXHIBIT 7 – PART 1B – SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Please note that Exhibit 7- Part 1B is for information-only and will not impact RBC calculations.

This schedule requires disclosure of claim payments by type of managed care arrangement.

TableColumn 2 – Net Reinsurance Amount

Amount of payment ceded to reinsurance

TableColumn 3 – Medical Expense Payment (Net of Reinsurance)

Table 1 - 2

Line 7 – Bonus/Withhold Arrangements – Fee-for-Service

Include: Payments to contracting providers that, absent the withhold arrangement or bonus arrangement, would otherwise be reported on Line 5, Fee-for-Service.

Line 7.1 – Bonus Payment Exposure

Include: Include total bonus payments providers were eligible for in the prior year.

Line 7.2 – Bonus Payments Made

Include: Include bonus payments made to these providers in the prior year.

Line 8 – Bonus/Withhold Arrangements – Contractual Fee Payments

Include: Payments to contracting providers that, absent the withhold or bonus arrangement, would otherwise be reported on Line 6.

Line 8.1 – Bonus Payment Exposure

Include: Include total bonus payments providers were eligible for in the prior year.

Line 8.2 – Bonus Payments Made

Include: Include bonus payments made to these providers in the prior year.

Line 9 – Bundled Payments

Include: Fixed payments to contracting providers or intermediaries for all services associated with an episode of care.

Line 10 – Upside and Downside Risk Sharing

Include: Payments to contracting providers or intermediaries that are subject to shared savings relative to a target with both an up and downside risk component. Arrangements can be comprehensive population, condition specific population, or episode based.

Line 10.1 – Downside Risk Exposure

Include: Include total downside risk that the contracting provider or intermediary could have been exposed to in the prior year. If downside risk is unlimited, cap at the total expected claim cost.

Example A: 85% of premium target with a downside cap at 90%, include 5% of premium.

Example B: 85% of premium target with no downside cap, include 85% of premium.

Line 10.2 – Downside Risk Due / Received

Include: Include total downside risk that the contracting provider or intermediary has paid or would otherwise be required to pay, before considering impacts of deficit forgiveness or contract termination in the prior year.

Example A: 85% of premium target with a downside cap at 90%, actual costs are 92% of premium, include 5% of premium.

Example B: 85% of premium target with no downside cap, actual costs are 92% of premium, include 7% of premium.

Line 10.3 – Actual Recovered Downside Risk

Include: Include total downside risk that the contracting provider or intermediary has paid or would otherwise be required to pay, after considering the impacts of deficit forgiveness or contract termination in the prior year.

Example A: 85% of premium target with a downside cap at 90%, actual costs are 92% of premium, but all deficits are forgiven, include 0% of premium.

Example B: 85% of premium target with no downside cap, actual costs are 92% of premium, only 2% of deficits are collected, include 2% of premium.

ANNUAL STATEMENT BLANK – HEALTH**EXHIBIT 7 – PART 1 – SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups
2. Intermediaries
3. All other providers
4. Total capitation payments
Other Payments:						
5. Fee-for-service	XXX	XXX
6. Contractual fee payments	XXX	XXX
7. Bonus/withhold arrangements – fee-for-service	XXX	XXX
8. Bonus/withhold arrangements – contractual fee payments	XXX	XXX
9. Non-contingent salaries	XXX	XXX
10. Aggregate cost arrangements	XXX	XXX
11. All other payments	XXX	XXX
12. Total other payments	XXX	XXX
13. Total (Line 4 plus Line 12)		100%	XXX	XXX		

EXHIBIT 7 – PART 1B – SUMMARY OF TRANSACTIONS WITH PROVIDERS DIRECT MEDICAL PAYMENTS TABLE 1

Payment Method	1 <u>Comprehensive (Hospital & Medical) - Individual</u>	2 <u>Comprehensive (Hospital & Medical) - Group</u>	3 <u>Title XVIII - Medicare</u>	4 <u>Title XIX - Medicaid</u>	5 <u>Medicare Supplement</u>	6 <u>Vision Only</u>	7 <u>Dental Only</u>	8 <u>Stand-Alone Medicare Part D Coverage</u>	9 <u>Other Health</u>
Capitation Payments:									
1. Medical groups
2. Intermediaries
3. All other providers
4. Total capitation payments
Other Payments:									
5. Fee-for-service
6. Contractual fee payments
7. Bonus/withhold arrangements – fee-for-service
7.1 Bonus payment exposure
7.2 Bonus payments made
8. Bonus/withhold arrangements – contractual fee payments
8.1 Bonus payment exposure
8.2 Bonus payments made
9. Bundled payments
10. Upside and downside risk sharing
10.1 Downside risk exposure
10.2 Downside risk due / received
10.3 Actual recovered downside risk
11. Non-contingent salaries
12. Aggregate cost arrangements
13. All other payments

14. Total other payments									
15. Total (Line 4 plus Line 14)									

EXHIBIT 7 – PART 1B – SUMMARY OF TRANSACTIONS WITH PROVIDERS CEDED REINSURANCE AMOUNT TABLE 2

Payment Method	1 Comprehensive (Hospital & Medical) - Individual	2 Comprehensive (Hospital & Medical) - Group	3 Title XVIII - Medicare	4 Title XIX - Medicaid	5 Medicare Supplement	6 Vision Only	7 Dental Only	8 Stand-Alone Medicare Part D Coverage	9 Other Health
Capitation Payments:									
1. Medical groups.....
2. Intermediaries.....
3. All other providers.....
4. Total capitation payments.....
Other Payments:									
5. Fee-for-service
6. Contractual fee payments
7. Bonus/withhold arrangements – fee-for-service.....
7.1 Bonus payment exposure
7.2 Bonus payments made
8. Bonus/withhold arrangements – contractual fee payments									
8.1 Bonus payment exposure
8.2 Bonus payments made
9. Bundled payments
10. Upside and downside risk sharing
10.1 Downside risk exposure
10.2 Downside risk due / received
10.3 Actual recovered downside risk
11. Non-contingent salaries
12. Aggregate cost arrangements
13. All other payments
14. Total other payments									
15. Total (Line 4 plus Line 14)									

EXHIBIT 7 – PART 1B – SUMMARY OF TRANSACTIONS WITH PROVIDERS NET MEDICAL EXPENSE PAYMENT TABLE 3

Payment Method	1 Comprehensive (Hospital & Medical) - Individual	2 Comprehensive (Hospital & Medical) - Group	3 Title XVIII - Medicare	4 Title XIX - Medicaid	5 Medicare Supplement	6 Vision Only	7 Dental Only	8 Stand-Alone Medicare Part D Coverage	9 Other Health
Capitation Payments:									
1. Medical groups.....
2. Intermediaries.....
3. All other providers.....
4. Total capitation payments.....
Other Payments:									
5. Fee-for-service
6. Contractual fee payments
7. Bonus/withhold arrangements – fee-for-service.....
7.1 Bonus payment exposure
7.2 Bonus payments made
8. Bonus/withhold arrangements – contractual fee payments									
8.1 Bonus payment exposure

8.2 Bonus payments made
9. Bundled payments
10. Upside and downside risk sharing
10.1 Downside risk exposure
10.2 Downside risk due / received
10.3 Actual recovered downside risk
11. Non-contingent salaries
12. Aggregate cost arrangements
13. All other payments
14. Total other payments
15. Total (Line 4 plus Line 14)									

EXHIBIT 7 – PART 2 – SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
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9999999 Totals			XXX	XXX	XXX