

Guidance on Reporting Exhibit 3A Collection and Offset Amounts

This document was developed for assistance only and has not been adopted as part of the Annual Statement instructions.

Example of Pharmaceutical Rebates Receivable

The example below illustrates how the Exhibit 3A is used to record information on the collection of amounts that had been accrued as health care receivables. Note that such collection can be in the form of cash received or as offsets against amounts that would otherwise have been payable to health care providers. The format of the example below is for illustration purposes only and is not reflective of the format that it would be in when filed as part of the Annual Statement.

The 12/31/20x2 annual statement had an accrual for \$10 million of Pharmaceutical Rebates Receivable. The insurer's contract with its pharmaceutical benefits manager provides that the PBM will make quarterly payments to the insurer consisting of a minimum guaranteed amount for the prior quarter and additional amounts for older quarters based on actual rebates collected from manufacturers. During 20x3 the PBM makes quarterly payments summarized for 20x3 as follows:

\$500,000 Rebates paid in 20x3 for scripts with fill dates in 20x1
 \$9 million Rebates paid in 20x3 for scripts with fill dates in 20x2
 \$33.5 million Rebates paid in 20x3 for scripts with fill dates in 20x3

Based on contract values and past rebate history the valuation actuary accrues the following as of 12/31/20x3:

\$600,000 Rebates to be collected for scripts with fill dates in 20x2 (drug claim paid as of 12/31/20x3)
 \$10,000,000 Rebates to be collected for scripts with fill dates in 20x3 (drug claims paid as of 12/31/20x3)
 \$100,000 Rebates to be collected for scripts with fill dates in 20x3 (drug claims unpaid as of 12/31/20x3)

EXHIBIT 3 – HEALTH CARE RECEIVABLES

ANNUAL STATEMENT FOR THE YEAR 20X3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ 10,700,000
Claim overpayment receivables					\$ -	\$ -
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ -	\$ -
Risk sharing receivables					\$ -	\$ -
Other receivables					\$ -	\$ -
Gross health care receivables					\$ -	\$ 10,700,000
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT

ANNUAL STATEMENT FOR THE YEAR 20X3

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ (9,500,000)	\$ (33,500,000)			\$ (9,500,000)	
Claim overpayment receivables	\$ -	\$ -			\$ -	
Loans and advances to providers	\$ -	\$ -			\$ -	
Capitation arrangement receivables	\$ -	\$ -			\$ -	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7a. Medicaid before collected receivables						
7b. Medicaid collected receivables						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ 600,000	\$ 10,000,000	\$ -	\$ 100,000	\$ 600,000	\$ 10,000,000
Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Risk-sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ 9,500,000	\$ 33,500,000	\$ 600,000	\$ 10,100,000	\$ 10,100,000	\$ 10,000,000
2. Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Risk sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Totals (Lines 1 through 6)	\$ 9,500,000	\$ 33,500,000	\$ 600,000	\$ 10,100,000	\$ 10,100,000	\$ 10,000,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

Guidance on Reporting Exhibit 3A Collection and Offset Amounts

Attachment E

This document was developed for assistance only and has not been adopted as part of the Annual Statement instructions.

Example of Claim Overpayments Receivable

The example below illustrates how the Exhibit 3A is used to record information on the collection of amounts that had been accrued as health care receivables. Note that such collection can be in the form of cash received or as offsets against amounts that would otherwise have been payable to health care providers. The format of the example below is for illustration purposes only and is not reflective of the format that it would be in when filed as part of the Annual Statement.

The 12/31/20x2 annual statement had an accrual for \$6 million of Claim Overpayment Receivables. The overpayments had been made because the claim payment system had been paying incorrect amounts to a contracted hospital system, which affected claims incurred July 20x1 through June 20x2. ABC HMO notified the hospital system of the \$6 million overpayment issue in November 20x2. Claims paid in December 20x2 and later month were paid correctly, but as of 12/31/20x2, no recovery had been started for claims paid in November 20x2 or prior.

During 20x3 and 20x4, the following happened:

1. There was no claim overpayment recovery for any provider other than this hospital system.
2. For claims incurred January through June 20x2, ABC HMO collected the entire \$3.1 million of overpayment by offsetting against claim payments made in CY 20x3.
3. For claims incurred July through December 20x1, the hospital system and the ABC HMO negotiated that the \$2.9 million overpayment by ABC HMO would be fully settled by the following schedule of payments from the hospital system, which would not run through the claim payment system.
 - a. \$725,000 on 6/15/20x3
 - b. \$725,000 on 9/15/20x3
 - c. \$725,000 on 12/15/20x3
 - d. \$725,000 on 3/15/20x4 (which was recorded as a claim overpayment receivable as of 12/31/20x3)

EXHIBIT 3 – HEALTH CARE RECEIVABLES

ANNUAL STATEMENT FOR THE YEAR 20X3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ -
Claim overpayment receivables					\$ -	\$ 725,000
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ -	\$ -
Risk sharing receivables					\$ -	\$ -
Other receivables					\$ -	\$ -
Gross health care receivables					\$ -	\$ 725,000
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT

ANNUAL STATEMENT FOR THE YEAR 20X3

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ -	\$ -			\$ -	
Claim overpayment receivables	\$ (5,275,000)	\$ -			\$ (5,275,000)	
Loans and advances to providers	\$ -	\$ -			\$ -	
Capitation arrangement receivables	\$ -	\$ -			\$ -	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7a. Medicaid before collected receivables						
7b. Medicaid collected receivables						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claim overpayment receivables	\$ 725,000	\$ -	\$ -	\$ -	\$ 725,000	\$ 6,000,000
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Risk-sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

ANNUAL STATEMENT FOR THE YEAR 20X3

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claim overpayment receivables	\$ 5,275,000	\$ -	\$ 725,000	\$ -	\$ 6,000,000	\$ 6,000,000
3. Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Risk sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Totals (Lines 1 through 6)	\$ 5,275,000	\$ -	\$ 725,000	\$ -	\$ 6,000,000	\$ 6,000,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

Guidance on Reporting Exhibit 3A Collection and Offset Amounts

Attachment E

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Example of Loans and Advances to Providers

The example below illustrates how the Exhibit 3A is used to record information on the collection of amounts that had been accrued as health care receivables. Note that such collection can be in the form of cash received or as offsets against amounts that would otherwise have been payable to health care providers. The format of the example below is for illustration purposes only and is not reflective of the format that it would be in when filed as part of the Annual Statement.

The 12/31/20x2 annual statement had an accrual for \$3 million of Loans and Advances to Providers. The advances were made in December 20x2 because an update to the claim payment system inadvertently blocked payments to a group of providers. The amounts loaned were based on unpaid claims received through December 20x2. In January 20x3 the claim payment system problem was resolved. As the unpaid claims were adjudicated, the loan balances were reduced by the claim payments that would have been made. By 12/31/20x3, all loan amounts had been satisfied except \$1,000 for one provider whose practice was closed. That balance was determined to be uncollectable as of 12/31/20x3.

EXHIBIT 3 – HEALTH CARE RECEIVABLES

ANNUAL STATEMENT FOR THE YEAR 20X3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ -
Claim overpayment receivables					\$ -	\$ -
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ -	\$ -
Risk sharing receivables					\$ -	\$ -
Other receivables					\$ -	\$ -
Gross health care receivables					\$ -	\$ -
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT

ANNUAL STATEMENT FOR THE YEAR 20X3

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ -	\$ -			\$ -	
Claim overpayment receivables	\$ -	\$ -			\$ -	
Loans and advances to providers	\$ (2,999,000)	\$ -			\$ (2,999,000)	
Capitation arrangement receivables	\$ -	\$ -			\$ -	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7a. Medicaid before collected receivables						
7b. Medicaid collected receivables						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Risk-sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

ANNUAL STATEMENT FOR THE YEAR 20X3

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Loans and advances to providers	\$ 2,999,000	\$ -	\$ -	\$ -	\$ 2,999,000	\$ 3,000,000
4. Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Risk sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Totals (Lines 1 through 6)	\$ 2,999,000	\$ -	\$ -	\$ -	\$ 2,999,000	\$ 3,000,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

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Example of Capitation Arrangement Receivables

The example below illustrates how the Exhibit 3A is used to record information on the collection of amounts that had been accrued as health care receivables. Note that such collection can be in the form of cash received or as offsets against amounts that would otherwise have been payable to health care providers. The format of the example below is for illustration purposes only and is not reflective of the format that it would be in when filed as part of the Annual Statement.

The 12/31/20x2 annual statement had an accrual for \$200,000 of Capitation Arrangement Receivables. The capitation payments were made in December 20x2 to providers who had cancelled their capitation contract effective 11/30/20x2. The HMO requested providers to refund the capitation payments – most did, with \$190,000 collected from in this manner. A few providers did not send refund payments. For these, the HMO collected \$7,000 by means of offsets against fee-for-service claims during 20x3. The HMO is carrying the remaining \$3,000 as an unadmitted health care receivable as of 12/31/20x3.

EXHIBIT 3 – HEALTH CARE RECEIVABLES

ANNUAL STATEMENT FOR THE YEAR 20X3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ -
Claim overpayment receivables					\$ -	\$ -
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ 3,000	\$ -
Risk sharing receivables					\$ -	\$ -
Other receivables					\$ -	\$ -
Gross health care receivables					\$ 3,000	\$ -
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT

ANNUAL STATEMENT FOR THE YEAR 20X3

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ -	\$ -			\$ -	
Claim overpayment receivables	\$ -	\$ -			\$ -	
Loans and advances to providers	\$ -	\$ -			\$ -	
Capitation arrangement receivables	\$ (197,000)	\$ -			\$ (197,000)	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7a. Medicaid before collected receivables						
7b. Medicaid collected receivables						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitation arrangement receivables	\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ 200,000
Risk-sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

ANNUAL STATEMENT FOR THE YEAR 20X3

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Capitation arrangement receivables	\$ 197,000	\$ -	\$ 3,000	\$ -	\$ 200,000	\$ 200,000
5. Risk sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Totals (Lines 1 through 6)	\$ 197,000	\$ -	\$ 3,000	\$ -	\$ 200,000	\$ 200,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

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Example of Risk Sharing Receivables

The example below illustrates how the Exhibit 3A is used to record information on the collection of amounts that had been accrued as health care receivables. Note that such collection can be in the form of cash received or as offsets against amounts that would otherwise have been payable to health care providers. The format of the example below is for illustration purposes only and is not reflective of the format that it would be in when filed as part of the Annual Statement.

The 12/31/20x2 annual statement had an accrual for \$900,000 of Risk-Sharing Receivables. The accrual was for a contract with a multi-specialty provider group that looks at actual incurred claims compared to a target for those claims. The period for the agreement is the 12 months ending 3/31/20x3, so the accrual as of 12/31/20x2 was for the first nine months of the risk-sharing contract period. The contract provides that the final accounting is to be made using claims runout paid through 3/31/20x4, with nothing to be paid by the provider group until 5/31/20x4. The calculations as of 12/31/20x3 resulted in a \$1.6 million accrual, of which \$1.2 million was allocated to the incurred period 4/1/20x2 through 12/31/20x2 and \$400,000 was allocated to the incurred period 1/1/20x3 through 3/31/20x3.

EXHIBIT 3 – HEALTH CARE RECEIVABLES

ANNUAL STATEMENT FOR THE YEAR 20X3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ -
Claim overpayment receivables					\$ -	\$ -
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ -	\$ -
Risk sharing receivables					\$ -	\$ 1,600,000
Other receivables					\$ -	\$ -
Gross health care receivables					\$ -	\$ 1,600,000
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT

ANNUAL STATEMENT FOR THE YEAR 20X3

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ -	\$ -			\$ -	
Claim overpayment receivables	\$ -	\$ -			\$ -	
Loans and advances to providers	\$ -	\$ -			\$ -	
Capitation arrangement receivables	\$ -	\$ -			\$ -	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7a. Medicaid before collected receivables						
7b. Medicaid collected receivables						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Risk-sharing receivables	\$ 1,190,000	\$ 370,000	\$ 10,000	\$ 30,000	\$ 1,200,000	\$ 900,000
Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

ANNUAL STATEMENT FOR THE YEAR 20X3

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Risk sharing receivables	\$ -	\$ -	\$ 1,200,000	\$ 400,000	\$ 1,200,000	\$ 900,000
6. Other health care receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Totals (Lines 1 through 6)	\$ -	\$ -	\$ 1,200,000	\$ 400,000	\$ 1,200,000	\$ 900,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

This document was developed for assistance only and has not been adopted as part of the Annual Statement instructions.

Example of Other Health Care Receivables

The example below illustrates how the Exhibit 3A is used to record information on the collection of amounts that had been accrued as health care receivables. Note that such collection can be in the form of cash received or as offsets against amounts that would otherwise have been payable to health care providers. The format of the example below is for illustration purposes only and is not reflective of the format that it would be in when filed as part of the Annual Statement.

The 12/31/20x2 annual statement had an accrual for \$4 million of Other Health Care Receivables. The accrual was for an incentive payment for a Medicaid contract, with the amount of the incentive payment based on the health plan's Healthcare Effectiveness Data and Information Set (HEDIS) score. The HEDIS score was for the 12-month period ending 6/30/20x2. The HEDIS measurements were complete by the time the 12/31/20x2 annual statement was completed and the \$4 million amount was determined by the state Medicaid agency, with the contract calling for the payment to be made by 6/30/20x3. However, the state did not make the payment then and did not make the payment in the remaining months of 20x3, citing budget problems. In December 20x3 the state sent the health plan a letter reiterating that the state still owed the \$4 million payment. For 12/31/20x3 the health plan accrued the full \$4 million as an admitted health care receivable asset, citing that the amount was undisputed.

EXHIBIT 3 – HEALTH CARE RECEIVABLES

ANNUAL STATEMENT FOR THE YEAR 20X3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ -
Claim overpayment receivables					\$ -	\$ -
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ -	\$ -
Risk sharing receivables					\$ -	\$ -
Other receivables					\$ -	\$ 4,000,000
Gross health care receivables					\$ -	\$ 4,000,000
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT

ANNUAL STATEMENT FOR THE YEAR 20X3

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ -	\$ -			\$ -	
Claim overpayment receivables	\$ -	\$ -			\$ -	
Loans and advances to providers	\$ -	\$ -			\$ -	
Capitation arrangement receivables	\$ -	\$ -			\$ -	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7a. Medicaid before collected receivables						
7b. Medicaid collected receivables						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Risk-sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other health care receivables	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

ANNUAL STATEMENT FOR THE YEAR 20X3

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Claim overpayment receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. Capitation arrangement receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Risk sharing receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Other health care receivables	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000
7. Totals (Lines 1 through 6)	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 3 – HEALTH CARE RECEIVABLES

 Attachment E
ANNUAL STATEMENT FOR THE YEAR 20x3

1 Name of Debtor	2 1 – 30 Days	3 31 – 60 Days	4 61 – 90 Days	5 Over 90 Days	6 Non-admitted	7 Admitted
Pharmaceutical rebate receivables					\$ -	\$ 10,700,000
Claim overpayment receivables					\$ -	\$ 725,000
Loans and advances to providers					\$ -	\$ -
Capitation arrangement receivables					\$ 3,000	\$ -
Risk sharing receivables					\$ -	\$ 1,600,000
Other receivables					\$ -	\$ 4,000,000
Gross health care receivables					\$ 3,000	\$ 17,025,000
					R6	R7

UNDERWRITING AND INVESTMENT EXHIBIT
ANNUAL STATEMENT FOR THE YEAR 20x3
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
Pharmaceutical rebate receivables	\$ (9,500,000)	\$ (33,500,000)			\$ (9,500,000)	
Claim overpayment receivables	\$ (5,275,000)	\$ -			\$ (5,275,000)	
Loans and advances to providers	\$ (2,999,000)	\$ -			\$ (2,999,000)	
Capitation arrangement receivables	\$ (197,000)	\$ -			\$ (197,000)	
Risk-sharing receivables	\$ -	\$ -			\$ -	
Other health care receivables	\$ -	\$ -			\$ -	
2. Medicare Supplement						
3. Dental						
4. Vision						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)						
10. Health care receivables (a)	B1	B2	B3	B4		B6 = Prior Yr(R6+R7)
Pharmaceutical rebate receivables	\$ 600,000	\$ 10,000,000	\$ -	\$ 100,000	\$ 600,000	\$ 10,000,000
Claim overpayment receivables	\$ 725,000	\$ -	\$ -	\$ -	\$ 725,000	\$ 6,000,000
Loans and advances to providers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Capitation arrangement receivables	\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ 200,000
Risk-sharing receivables	\$ 1,190,000	\$ 370,000	\$ 10,000	\$ 30,000	\$ 1,200,000	\$ 900,000
Other health care receivables			\$ 4,000,000		\$ 4,000,000	\$ 4,000,000
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9–10+11+12)						

(a) excludes _____ loans or advances to providers not yet expensed

B1 + B2 + B3 + B4 = R6 + R7 [assumes no amounts in the 10(a) footnote]

ANNUAL STATEMENT FOR THE YEAR 20x3
EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5 Health Care Receivables in Prior Years (Columns 1 + 3)	6 Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables	\$ 9,500,000	\$ 33,500,000	\$ 600,000	\$ 10,100,000	\$ 10,100,000	\$ 10,000,000
2. Claim overpayment receivables	\$ 5,275,000	\$ -	\$ 725,000	\$ -	\$ 6,000,000	\$ 6,000,000
3. Loans and advances to providers	\$ 2,999,000	\$ -	\$ -	\$ -	\$ 2,999,000	\$ 3,000,000
4. Capitation arrangement receivables	\$ 197,000	\$ -	\$ 3,000	\$ -	\$ 200,000	\$ 200,000
5. Risk sharing receivables	\$ -	\$ -	\$ 1,200,000	\$ 400,000	\$ 1,200,000	\$ 900,000
6. Other health care receivables	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000
7. Totals (Lines 1 through 6)	\$ 17,971,000	\$ 33,500,000	\$ 6,528,000	\$ 10,500,000	\$ 24,499,000	\$ 24,100,000
			A3 = B1 + B3	A4 = B2 + B4		A6 = Prior Yr(R6+R7)

Note that the accrued amounts in columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.