

Report C4: MHO Contractor's Quarterly Statement of Revenue and Expenses

Statement of Revenue and Expenses: A financial statement reporting fully accrued revenues and expenses under this Agreement for the period. Contractor shall indicate the accounting method used for this report: Full accrual, modified accrual, or cash basis. Expenses should be appropriately reported for health care and administrative expenses.

When a Contractor reports an expense on Report C4 Line 9 "Subcapitation payments", the Contractor shall have Subcontractors receiving subcapitation funds complete Reports C4 and C4A. Contractor shall attach Subcontractor's Reports C4 and C4A with Contractor's quarterly statements when submitting them to OMHAS .

OHP Activity: The financial position of Contractor relating to activities that are associated with Covered Services provided under the Oregon Health Plan (OHP) under this Agreement.

Allocation of expenditures between OHP and other line of business. If separate accounts are not kept for the OHP, revenue and expenses for the OHP may be allocated using an estimation procedure. Such a procedure and all assumptions must be disclosed in Notes to Report C4. This estimation procedure must be used throughout the reports. The assumptions underlying the allocation must be based on a methodology that clearly represents the costs associated with providing Covered Services to OHP Members.

Contractor shall indicate the beginning balance for the reporting period.

Revenues

- 1. Capitation:** The amount received by Contractor on a per member per month basis in advance of and as payment for the provision of Covered Services to OHP Members enrolled with Contractor over a defined period of time.
- 2. ITS Pilot Payments (if applicable) -** The amounts received by Contractor for OHP Members participating in the Intensive Treatment Services Pilot Project.
- 3. Other Health Care Revenues:** Other revenues recognized as a result of other non-capitated arrangements between Contractor and OMHAS for Covered Services provided under this Agreement for OHP Members not included in the previous revenue categories. Please specify.

4. Total Revenues: The sum of lines 1 through 3.

HEALTH CARE EXPENSES : These are the costs that can be identified specifically with activities associated with providing services to OHP Members. Examples of health care costs are compensation of employees for the time devoted to activities associated with providing Covered Services to OHP Members, the cost of material acquired, consumed, or expended specifically for the purpose of such activities, equipment and capital expenditures specifically identified with such activities, and travel expenses incurred specifically to carry out such activities. _

5. Health Care Expenses:

- a. **Staff Model:** Amounts paid by Contractor for the provision of Covered Services to enrolled OHP Members. Include salaries, fringe benefits, other compensations to staff engaged in the delivery of Covered Services and to personnel engaged in activities in direct support of the provision of Covered Services and other expenses as defined in health care expenses above. Exclude expenses for personnel time devoted to administrative tasks.
- b. **Fee for Service:** Amounts paid for the provision of Covered Services dependent on the actual number and nature of services provided to each OHP Member.
- c. **Risk Models:** Amounts paid where the Provider receives a fixed amount and assumes financial liability for the provision of Covered Services for OHP Members, such as DRGs or case rates.
- d. **Other Payment Arrangements:** Amounts paid under other Service payment arrangements not included in above categories.

6. Incentive Pool and Withhold Adjustments: Adjustments made to expenses that reflect the incentive pool and withhold activities.

7. Subcapitation Payments: Amounts paid by Contractor to a Provider in advance of and as payment for actual receipt of Covered Services, either on a per-member-per-month basis, or on the basis of a formula for allocation whereby the Provider assumes risk for the provision of all Medically Appropriate Covered Services to OHP Members who are enrolled with that Provider during the month.

8. Other health care expenses not included above. (please specify)

9. Deductions:

- a. **Coordination of Benefits:** Income earned from Medicare, third party resources, and other insurance collections.
- b. **Reinsurance Recoveries Incurred:** Amounts received from the reinsurer on paid losses and those amounts that have been billed to the reinsurer and not yet received.
- c. **Subrogation:** Amounts received from other insurance recoveries, tort and estate collections.

10. Subtotal Health Care Expenses: The sum of lines 5 through 8 minus line 9.

ADMINISTRATIVE EXPENSES: Administrative costs are those associated with the overall management and operations of Contractor .

- 11. Contractor:** All expenses by Contractor for administrative services such as claims and encounter processing, contract services, financial services, member services, provider relations, utilization management, and quality management.
- 12. Subcontractor:** All expenses by Subcontractor for administrative services such as claims and encounter processing, contract services, financial services, member services, provider relations, utilization management, and quality management.
- 13. Total Administrative Expenses:** The sum of lines 11 and 12.
- 14. Total Expenses:** The sum of lines 10 and 13.
- 15. Net Income (Loss):** The result of line 4 and 14.

If submitting this form as a fiscal year Report C4 and the amount reflects a net loss, then Contractor must describe how such loss was covered during the reporting period. If this figure reflects a net income, then Contractor must describe how the net income will be used in the next fiscal year.

- 16. Beginning Balance of Period:** The total contributed capital, surplus notes, retained earnings/fund balance, and other items at the beginning of the report period.
- 17. Increase (Decrease) in Retained Earnings/Fund Balance:** Changes in retained earnings/fund balance from the last report period to the current report period.
- 18. Other Changes:** Changes in other items from the last report period to the current report period.

- 19. Balance at End of Period:** Contributed capital, retained earnings/fund balance and other items at the end of the report period.