



February 23, 2009

## STATEMENT OF ACTUARIAL OPINION

Statutory Annual Statement of United Healthcare Plan of the River Valley, Inc.  
Medicaid non-Risk Business in Eastern Tennessee  
As of and for the Period Ended December 31, 2008

I, Jed L. Linfield, am a Member of the American Academy of Actuaries (Academy) and am Director of Actuarial Reserving Services for United Healthcare Plan of the River Valley, Inc. I meet the Academy qualification standards for rendering this statement of actuarial opinion.

This statement is for United Healthcare Plan of the River Valley, Inc.'s Medicaid non-risk business in Eastern Tennessee, which had approximately 98,000 members in December 2008.

I have examined the actuarial assumptions and methods used in determining the loss reserves listed below, as prepared for filing with regulatory officials as of December 31, 2008.

I have determined that the appropriate level for claims liability for this block of business is \$35,362,902.

This business is Administrative Services Only; the liability is not the liability of United Healthcare Plan of the River Valley, Inc.

Note that in the annual statement, both Medicaid and non-Medicaid business is combined.

I have relied upon information supplied by responsible officers of employees of United Healthcare Plan of the River Valley, Inc. as to the accuracy and completeness of listings and summaries of policies and contracts in force and other information underlying the loss reserves. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such test of actuarial calculations as I considered necessary in the circumstances. My examination considered the need for cash flow testing, but none was performed because such tests were determined to be unnecessary. The cash flows associated with United Healthcare Plan of the River Valley, Inc.'s products and investments are believed to be relatively insensitive to influences such as changes in economic conditions.

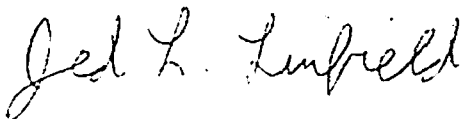
In my opinion the amounts calculated above and/or carried in the balance sheet on account of the actuarial items identified above:

- a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- b) Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate for the purpose for which the statement was prepared;
- c) Meet the requirements of the laws of the State of Tennessee;
- d) Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;
- e) Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f) Include provision, in the aggregate, for all actuarial reserves and related statement items which ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, whose standards form the basis of this statement of opinion.

This statement has been prepared for inclusion with United Healthcare Plan of the River Valley, Inc.'s statutory quarterly statement for filing with regulatory authorities of the State of Tennessee and is intended for no other purpose.

February 23, 2009




---

Jed L. Linfield  
Fellow, Society of Actuaries  
Member, American Academy of Actuaries  
AmeriChoice of New Jersey  
8045 Leesburg Pike, Sixth Floor  
Vienna, Virginia 22182  
Phone: (703) 873-6054  
e-mail: Jlinfield@uhc.com



February 23, 2009

I, Kent Monical, am employed by AmeriChoice as Vice President, Medical Economics, Corporate Finance. I hereby affirm that the listings, summaries, and analyses relating to data for Medicaid business, prepared for and submitted to Jed L. Linfield, FSA, MAAA in support of his actuarial opinion for United Healthcare Plan of the River Valley, Inc.'s non-risk business in Eastern Tennessee, as of December 31, 2008, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the quarterly statement for the quarter ended December 31, 2008.

  
\_\_\_\_\_  
Kent Monical  
Vice President  
Medical Economics, Corporate Finance  
(703) 506 - 3534



**Medical Services Budget Target Results**  
**CRA Reference: Section 3-10.j, 3-10.i.3(a)**

MCO

AmeriChoice

Reporting Month

December-08

2004

Incurred Month

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Enrollment	81,131	81,397	82,016	82,348	82,625	82,670	82,729	83,851	86,861	86,940	86,902	87,317	1,006,787
Payments for Medical Services for the Month													
UB 92 Payments by the Claims Processing System	7,295,705	7,674,810	7,825,458	7,240,741	6,936,574	7,880,937	8,273,417	9,050,412	8,126,800	8,299,233	8,625,335	7,909,718	95,139,140
HCFA1500 Payments by the Claims Processing System	5,108,704	4,821,692	5,824,040	5,202,535	4,925,781	5,156,807	5,127,502	5,583,249	5,619,257	5,720,707	5,549,684	5,522,263	64,162,221
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	133,464	133,571	135,623	135,551	133,771	135,361	129,015	137,293	137,950	143,339	143,420	143,872	1,642,231
Pharmacy Payments	0	0	0	0	254	144	207	0	0	162	754	0	1,521
Subcontractor Payments for Medical Services										76	164	1,677	1,918
Reinsurance Payment													0
Other Payments/Adjustments to Medical Costs													0
Less:													0
BHO Capitation Revenue													0
Pharmacy Rebates													0
Recoveries not Claims Payments													0
Total Payments for the month	12,537,872	12,630,073	13,785,122	12,578,827	11,996,381	13,173,250	13,530,141	14,770,954	13,884,007	14,163,517	14,319,356	13,577,530	160,947,030
Remaining IBNR for the month	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month	12,537,872	12,630,073	13,785,122	12,578,827	11,996,381	13,173,250	13,530,141	14,770,954	13,884,007	14,163,517	14,319,356	13,577,530	160,947,030
Per Member Expense	154.54	155.17	168.08	152.75	145.19	159.35	163.55	176.16	159.84	162.91	164.78	155.50	159.86

Per Member Month Exp. For Quarter

Per Member Month Exp. For Quarter in Prior Year

Per Member Month Exp. For Two Years Prior

Percent Change

Medical Services Budget for Current Year Quarter

(Over)/Under Budget

**Medical Services Budget Target Results**  
**CRA Reference: Section 3-10.j, 3-10.i.3(a)**

MCO

AmeriChoice

Reporting Month

December-08

2005

Incurred Month

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Enrollment	87,839	88,481	88,735	89,512	90,111	90,065	90,379	86,793	83,765	85,715	82,547	82,595	1,046,537
<b>Payments for Medical Services for the Month</b>													
UB 92 Payments by the Claims Processing System	9,475,846	8,381,893	9,567,491	9,204,719	8,575,629	9,038,981	8,574,947	8,676,649	7,422,996	7,059,890	7,339,458	7,755,922	101,074,420
HCFA1500 Payments by the Claims Processing System	6,127,528	5,915,405	6,477,201	6,013,237	6,125,111	6,165,166	5,791,085	5,735,124	5,093,435	4,977,562	4,951,740	4,733,441	68,106,035
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	143,184	147,497	145,343	148,508	148,702	150,040	150,287	149,483	137,270	204,550	134,591	203,593	1,863,048
Pharmacy Payments	81	196	165	162	0	4	1,613	0	0	0	0	0	2,220
Subcontractor Payments for Medical Services	33,567	32,847	39,947	29,438	24,682	11,034	23,981	15,976	22,336	58,777	19,575	45,287	357,447
Reinsurance Payment													0
Other Payments/Adjustments to Medical Costs													0
Less:													0
BHO Capitation Revenue													0
Pharmacy Rebates													0
Recoveries not Claims Payments													0
Total Payments for the month	15,780,207	14,477,838	16,230,147	15,396,064	14,874,124	15,365,224	14,541,912	14,577,232	12,676,037	12,300,778	12,445,365	12,738,243	171,403,169
Remaining IBNR for the month	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month	15,780,207	14,477,838	16,230,147	15,396,064	14,874,124	15,365,224	14,541,912	14,577,232	12,676,037	12,300,778	12,445,365	12,738,243	171,403,169
Per Member Expense	179.65	163.63	182.91	172.00	165.06	170.60	160.90	167.95	151.33	143.51	150.77	154.23	163.78
Per Member Month Exp. For Quarter			175.39			169.22			160.17			149.43	
Per Member Month Exp. For Quarter in Prior Year			159.29			152.43			166.45			161.05	
Per Member Month Exp. For Two Years Prior			172.63			176.01			130.84			142.70	
Percent Change			-8%			-13%			27%			13%	
Medical Services Budget for Current Year Quarter			146.98			132.01			211.75			181.77	
(Over)/Under Budget			(28.42)			(37.21)			51.58			32.34	

**Medical Services Budget Target Results**  
**CRA Reference: Section 3-10.j, 3-10.i.3(a)**

MCO

AmeriChoice		2006												
Reporting Month		Incurred Month												
December-08		January	February	March	April	May	June	July	August	September	October	November	December	Total
Enrollment		82,185	79,622	79,462	79,628	79,331	79,301	81,518	80,959	80,502	80,595	80,668	81,167	964,938
<b>Payments for Medical Services for the Month</b>														
UB92 Payments by the Claims Processing System		8,444,493	7,257,224	8,305,713	6,910,971	7,872,831	7,368,856	7,955,899	7,452,206	8,456,398	8,147,034	8,103,024	8,503,604	94,778,252
HCFA1500 Payments by the Claims Processing Sys		5,185,085	4,794,946	5,457,122	4,581,485	5,287,648	4,753,145	4,501,823	5,056,331	4,968,365	5,983,289	5,172,650	4,925,435	60,667,323
Dental Payments by the Claims Processing System		0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments		172,190	113,977	131,589	131,865	128,399	149,530	132,928	151,262	136,051	139,469	138,434	137,925	1,663,620
Pharmacy Payments														0
Subcontractor Payments for Medical Services		45,287	24,746	31,580	42,622	29,306	29,306	29,306	2,502	17,599	26,556	0	25,748	304,556
Reinsurance Payment														0
Other Payments/Adjustments to Medical Costs														0
Less:														0
BHO Capitation Revenue														0
Pharmacy Rebates														0
Recoveries not Claims Payments														0
Total Payments for the month		13,847,055	12,190,892	13,926,004	11,666,943	13,318,183	12,300,836	12,619,956	12,662,300	13,578,413	14,296,348	13,414,109	13,592,712	157,413,752
Remaining IBNR for the month		0	0	0	0	0	0	0	0	0	50	50	0	0
<b>Payments and Remaining IBNR for the month</b>		13,847,055	12,190,892	13,926,004	11,666,943	13,318,183	12,300,836	12,619,956	12,662,300	13,578,413	14,296,348	13,414,109	13,592,712	157,413,752
Per Member Expense		168.49	153.11	175.25	146.52	167.88	155.12	154.81	156.40	168.67	177.39	166.29	167.47	163.13
Per Member Month Exp. For Quarter				165.64			156.49			159.93			170.37	
Per Member Month Exp. For Quarter in Prior Year				175.39			169.22			160.17			149.43	
Per Member Month Exp. For Two Years Prior				159.29			152.43			166.45			161.05	
Percent Change				10%			11%			-4%			-7%	
Medical Services Budget for Current Year Quarter				193.12			187.85			154.13			138.64	
(Over) Under Budget				27.48			31.36			(5.80)			(31.73)	

**Medical Services Budget Target Results**  
**CRA Reference: Section 3-10.j, 3-10.i.3(a)**

MCO													
AmriChoice													
Reporting Month													
December-08													
2007													
Incurred Month													
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Enrollment	80,341	80,634	80,679	81,467	81,801	82,348	83,102	83,976	84,947	85,644	86,050	86,463	997,452
Payments for Medical Services for the Month													
UB 92 Payments by the Claims Processing System	9,073,595	7,289,410	7,582,099	10,118,164	8,117,964	8,294,616	8,275,599	8,298,401	7,943,590	8,840,657	8,410,022	8,028,101	100,272,219
HCFA1500 Payments by the Claims Processing Sys	5,410,570	4,857,524	5,211,869	5,059,980	5,161,205	4,690,658	5,022,830	5,494,427	5,088,132	5,748,141	5,434,498	4,862,769	62,042,602
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	135,557	138,421	141,545	141,202	150,752	142,882	147,345	149,416	139,077	165,167	149,194	153,643	1,754,202
Pharmacy Payments													0
Subcontractor Payments for Medical Services	40,785	72,852	36,719	36,152	32,758	28,568	26,755	29,077	51,088	35,478	45,937	40,690	476,859
Reinsurance Payment													0
Other Payments/Adjustments to Medical Costs													0
Less:													0
BHO Capitation Revenue													0
Pharmacy Rebates													0
Recoveries not Claims Payments													0
Total Payments for the month	14,660,507	12,358,207	12,972,231	15,355,499	13,462,679	13,156,724	13,472,529	13,971,321	13,221,887	14,789,443	14,039,651	13,085,203	164,545,882
Remaining IBNR for the month	5,250	5,250	5,615	6,244	6,518	6,974	7,438	10,866	15,005	24,230	32,822	49,829	176,042
Payments and Remaining IBNR for the month	14,665,757	12,363,457	12,977,847	15,361,743	13,469,198	13,163,698	13,479,967	13,982,188	13,236,891	14,813,672	14,072,473	13,135,032	164,721,924
Per Member Expense	182.54	153.33	160.86	188.56	164.66	159.85	162.21	166.50	155.83	172.97	163.54	151.92	165.14
Per Member Month Exp. For Quarter			165.56			170.98			161.49			162.77	
Per Member Month Exp. For Quarter in Prior Year			165.64			156.49			159.93			170.37	
Per Member Month Exp. For Two Years Prior			175.39			169.22			160.17			149.43	
Percent Change			-6%			-8%			0%			14%	
Medical Services Budget for Current Year Quarter			156.43			144.73			159.70			194.25	
(Over)/Under Budget			(9.12)			(26.25)			(1.79)			31.48	



**Medical Services Budget Target Results**  
**CRA Reference: Section 3-10.j, 3-10.i.3(a)**

MCO													
AmriChoice													
Reporting Month													
December-08													
2008													
Incurred Month													
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Enrollment	86,577	86,938	87,129	87,143	87,074	87,450	87,915	88,973	89,933	91,128	94,389	97,548	1,072,197
<b>Payments for Medical Services for the Month</b>													
UB 92 Payments by the Claims Processing System	9,528,763	8,580,571	8,492,721	8,596,394	8,196,188	8,099,924	9,142,032	9,081,029	7,987,577	7,122,540	3,651,828	215,019	88,694,585
HCFA1500 Payments by the Claims Processing Sys	5,870,349	5,660,804	5,383,701	5,578,532	5,320,580	5,314,660	5,737,605	5,743,000	5,668,036	5,439,679	4,207,442	1,015,232	60,939,622
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	159,554	161,547	162,456	160,117	161,837	163,065	163,623	166,688	170,022	170,382	174,718	177,913	1,991,920
Pharmacy Payments													0
Subcontractor Payments for Medical Services	27,196	39,646	42,133	25,185	40,683	41,355	29,164	39,562	47,837	45,106	55,120	46,709	479,696
Reinsurance Payment													0
Other Payments/Adjustments to Medical Costs													0
Less:													0
BHO Capitation Revenue													0
Pharmacy Rebates													0
Recoveries not Claims Payments													0
Total Payments for the month	15,585,862	14,442,567	14,081,011	14,360,229	13,719,288	13,619,003	15,072,424	15,030,279	13,873,472	12,777,708	8,089,108	1,454,873	152,105,823
Remaining IBNR for the month	84,039	104,024	134,099	190,384	260,643	382,390	727,494	1,162,006	2,048,435	4,129,820	8,939,825	17,023,703	35,186,860
Payments and Remaining IBNR for the month	15,669,901	14,546,591	14,215,109	14,550,613	13,979,930	14,001,393	15,799,918	16,192,284	15,921,907	16,907,527	17,028,934	18,478,576	187,292,683
Per Member Expense	180.99	167.32	163.15	166.97	160.55	160.11	179.72	181.99	177.04	185.54	180.41	189.43	174.68
Per Member Month Exp. For Quarter			170.47			162.54			179.57			185.17	
Per Member Month Exp. For Quarter in Prior Year			165.56			170.98			161.49			162.77	
Per Member Month Exp. For Two Years Prior			165.64			156.49			159.93			170.37	
Percent Change			0%			9%			1%			-4%	
Medical Services Budget for Current Year Quarter			165.47			186.80			163.06			155.51	
(Over)/Under Budget			(5.00)			24.26			(16.52)			(29.65)	

Note: Enrollment data provided by the Bureau of TennCare on 1/6/09 was used in the preparation of this report in order to reflect increased enrollment in East TN. Prior to November 2008, MSM reports utilized membership data lagged by 30 days.

**MEDICAL FUND MONITORING REPORT**

AmeriChoice

Dec-08	2002						2003					
	Incurred Month						Incurred Month					
	July	August	September	October	November	December	January	February	March	April	May	June
Enrollment	89,533	91,465	86,458	92,248	85,789	82,648	82,400	82,346	83,237	81,703	81,217	81,073
TennCare Medical Fund Target	12,255,026	12,383,722	11,865,421	11,874,598	11,159,492	10,745,418	10,752,597	10,799,295	10,731,143	10,626,626	10,671,937	10,621,668
Payments for Medical Services for the Month												
UB 92 Payments by the Claims Processing System	6,180,822	6,242,592	6,224,038	6,658,506	5,727,437	5,490,838	6,411,188	5,665,561	5,690,682	5,734,935	6,584,700	5,254,901
HCFA1500 Payments by the Claims Processing System	4,339,859	4,503,415	4,402,896	4,812,686	4,095,692	4,047,712	4,365,134	4,436,453	4,753,440	4,636,067	4,625,126	4,377,617
Dental Payments by the Claims Processing System	2,733	5,044	3,408	0	0	0	0	0	0	0	0	0
Capitation Payments	149,156	142,072	143,378	146,304	131,950	134,725	125,908	132,928	135,360	130,194	131,693	129,677
Pharmacy Payments	3,716,362	3,877,466	3,911,030	4,296,238	3,980,766	4,049,583	4,047,209	3,887,719	4,171,130	4,105,217	4,235,526	4,081,123
Subcontractor Payments for Medical Services												
Reinsurance Payment												
Other Payments/Adjustments to Medical Costs	217,435	265,432	280,064									
Less:												
BHO Capitation Revenue												
Pharmacy Rebates	293,588	306,448	308,762	369,821	342,245	351,196	337,147	325,567	349,857	356,180	368,757	355,501
Recoveries not Reflected in Payments by the Claims System												
Total Payments for the month	14,312,779	14,729,573	14,656,052	15,543,913	13,593,601	13,371,663	14,612,293	13,797,094	14,400,754	14,250,233	15,208,287	13,487,817
Remaining IBNR for the month	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month	14,312,779	14,729,573	14,656,052	15,543,913	13,593,601	13,371,663	14,612,293	13,797,094	14,400,754	14,250,233	15,208,287	13,487,817
Medical Fund / Total Payments	116.8%	118.9%	123.5%	130.9%	121.8%	124.4%	135.9%	127.8%	134.2%	134.1%	142.5%	127.0%
PMPM	159.86	161.04	169.52	168.50	158.45	161.79	177.33	167.55	173.01	174.42	187.25	166.37

AmeriChoice

Dec-08	For the Year Ended 6-30 6-30-2003	2003						2004					
		Incurred Month						Incurred Month					
		July	August	September	October	November	December	January	February	March	April	May	June
Enrollment		81,603	82,379	87,971	87,313	80,729	80,779	81,131	81,397	82,016	82,348	82,625	82,670
<b>TennCare Medical Fund Target</b>	134,486,944	10,703,652	10,772,022	10,766,482	10,777,216	10,847,230	10,837,799	10,939,810	11,007,953	11,129,543	11,146,051	11,204,486	11,249,002
<b>Payments for Medical Services for the Month</b>													
UB 92 Payments by the Claims Processing System	71,866,201	5,754,875	6,021,120	6,595,179	5,627,235	5,639,913	9,020,675	7,295,705	7,674,810	7,825,458	7,240,741	6,936,574	7,880,937
HCFA1500 Payments by the Claims Processing System	53,396,098	4,447,661	4,439,329	5,313,644	5,007,568	4,569,715	5,244,037	5,108,704	4,821,692	5,824,040	5,202,535	4,925,781	5,156,807
Dental Payments by the Claims Processing System	11,184	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	1,633,344	130,507	131,070	131,744	131,007	133,245	132,234	133,464	133,571	135,623	135,551	133,771	135,361
Pharmacy Payments	48,359,369	176		255	190	552	217	0	0	0	0	254	144
Subcontractor Payments for Medical Services	0												
Reinsurance Payment	0												
Other Payments/Adjustments to Medical Costs	762,930												
Less:													
BHO Capitation Revenue	0												
Pharmacy Rebates	4,065,069												
Recoveries not Reflected in Payments by the Claims System	0												
<b>Total Payments for the month</b>	171,964,058	10,333,219	10,591,520	12,040,822	10,766,000	10,343,425	14,397,163	12,537,872	12,630,073	13,785,122	12,578,827	11,996,381	13,173,250
Remaining IBNR for the month	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Payments and Remaining IBNR for the month</b>	171,964,058	10,333,219	10,591,520	12,040,822	10,766,000	10,343,425	14,397,163	12,537,872	12,630,073	13,785,122	12,578,827	11,996,381	13,173,250

Medical Fund / Total Payments

127.9%	96.5%	98.3%	111.8%	99.9%	95.4%	132.8%	114.6%	114.7%	123.9%	112.9%	107.1%	117.1%
--------	-------	-------	--------	-------	-------	--------	--------	--------	--------	--------	--------	--------

PMPM

126.63	128.57	136.87	123.30	128.13	178.23	154.54	155.17	168.08	152.75	145.19	159.35
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

AmeriChoice

Dec-08	For the Year Ended 6/30 6/30/2004
Enrollment	
TennCare Medical Fund Target	131,381,247
Payments for Medical Services for the Month	
UB 92 Payments by the Claims Processing System	83,513,224
HCFA1500 Payments by the Claims Processing System	60,061,513
Dental Payments by the Claims Processing System	0
Capitation Payments	1,597,149
Pharmacy Payments	1,788
Subcontractor Payments for Medical Services	0
Reinsurance Payment	0
Other Payments/Adjustments to Medical Costs	0
Less:	
BIIO Capitation Revenue	0
Pharmacy Rebates	0
Recoveries not Reflected in Payments by the Claims System	0
Total Payments for the month	145,173,674
Remaining IBNR for the month	0
Payments and Remaining IBNR for the month	145,173,674
Medical Fund / Total Payments	110.5%

PMPM

**AmeriChoice**

Dec-08	2004						2005						For the Year Ended 6/30 6/30/2005
	Incurred Month						Incurred Month						
	July	August	September	October	November	December	January	February	March	April	May	June	
Enrollment	82,729	83,851	86,861	86,940	86,902	87,317	87,839	88,481	88,735	89,512	90,111	90,065	
<b>TennCare Medical Fund Target</b>	<b>11,221,118</b>	<b>11,457,320</b>	<b>11,617,285</b>	<b>11,887,113</b>	<b>11,950,676</b>	<b>12,036,583</b>	<b>12,164,538</b>	<b>12,218,346</b>	<b>12,186,304</b>	<b>12,294,992</b>	<b>12,361,782</b>	<b>12,339,515</b>	<b>143,735,573</b>
Payments for Medical Services for the Month													
UB 92 Payments by the Claims Processing System	8,273,417	9,050,412	8,126,800	8,299,233	8,625,335	7,909,718	9,475,846	8,381,893	9,567,491	9,204,719	8,575,629	9,038,981	104,529,473
HCFA 1500 Payments by the Claims Processing System	5,127,502	5,583,249	5,619,257	5,720,707	5,549,684	5,522,263	6,127,528	5,915,405	6,477,201	6,013,237	6,125,111	6,165,166	69,946,309
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	129,015	137,293	137,950	143,339	143,420	143,872	143,184	147,497	145,343	148,508	148,702	150,040	1,718,163
Pharmacy Payments	207	0	0	162	754	0	81	196	165	162	0	4	1,730
Subcontractor Payments for Medical Services				76	164	1,677	33,567	32,847	39,947	29,438	24,682	11,034	173,433
Reinsurance Payment													0
Other Payments/Adjustments to Medical Costs													0
Less:													
BHO Capitation Revenue													0
Pharmacy Rebates													0
Recoveries not Reflected in Payments by the Claims System													0
<b>Total Payments for the month</b>	<b>13,530,141</b>	<b>14,770,954</b>	<b>13,884,007</b>	<b>14,163,517</b>	<b>14,319,356</b>	<b>13,577,530</b>	<b>15,780,207</b>	<b>14,477,838</b>	<b>16,230,147</b>	<b>15,396,064</b>	<b>14,874,124</b>	<b>15,365,224</b>	<b>176,369,108</b>
Remaining IBNR for the month	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Payments and Remaining IBNR for the month</b>	<b>13,530,141</b>	<b>14,770,954</b>	<b>13,884,007</b>	<b>14,163,517</b>	<b>14,319,356</b>	<b>13,577,530</b>	<b>15,780,207</b>	<b>14,477,838</b>	<b>16,230,147</b>	<b>15,396,064</b>	<b>14,874,124</b>	<b>15,365,224</b>	<b>176,369,108</b>
<b>Medical Fund / Total Payments</b>	<b>120.6%</b>	<b>128.9%</b>	<b>119.5%</b>	<b>119.2%</b>	<b>119.8%</b>	<b>112.8%</b>	<b>129.7%</b>	<b>118.5%</b>	<b>133.2%</b>	<b>125.2%</b>	<b>120.3%</b>	<b>124.5%</b>	<b>122.7%</b>
PMPM	163.55	176.16	159.84	162.91	164.78	155.50	179.65	163.63	182.91	172.00	165.06	170.60	









HCFA1500 Claims Triangle

Month Paid by the Claims System

	Total	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06		
Jul-02	4,495,543																																					
Aug-02	4,477,522																																					
Sep-02	3,973,121																																					
Oct-02	3,070,524																																					
Nov-02	2,702,261																																					
Dec-02	1,642,031																																					
Jan-03	2,849,941																																					
Feb-03	2,026,927																																					
Mar-03	3,743,927																																					
Apr-03	2,211,900																																					
May-03	3,972,797																																					
Jun-03	4,231,025	151,365																																				
Jul-03	3,174,269	1,174,517	1,134,884																																			
Aug-03	6,177,656	685,493	1,547,660	2,145,833	326,322																																	
Sep-03	2,827,632	292,441	357,475	1,376,735	7,643,684	817,815																																
Oct-03	4,244,024	145,225	203,033	324,958	1,017,233	7,424,847	1,344,615																															
Nov-03	2,577,855	15,293	112,601	144,472	203,294	647,031	2,082,273	870,332																														
Dec-03	5,652,824	54,584	139,004	143,830	243,832	491,163	1,332,217	2,026,275	561,877																													
Jan-04	5,583,247	26,021	30,473	68,941	129,287	217,663	340,811	1,180,222	7,037,970	966,358																												
Feb-04	4,375,247	22,224	31,020	21,020	21,020	17,411	109,393	137,113	724,224	2,445,824																												
Mar-04	4,222,411	16,878	19,764	26,251	47,281	101,124	15,444	111,626	384,334	1,167,491	443,227																											
Apr-04	4,873,444	4,414	15,533	11,312	15,012	10,261	14,644	44,477	115,906	234,834	644,411	2,765,860	499,573																									
May-04	4,773,024	7,243	2,057	13,931	8,203	30,794	19,149	31,721	136,644	444,041	287,991	960,954	2,652,334	434,601																								
Jun-04	4,920,347	11,219	1,113	1,222	12,246	24,217	53,044	51,507	28,472	137,145	247,723	412,343	1,120,757	3,144,612	938,494																							
Jul-04	4,532,214	8,262	8,418	5,761	3,225	1,350	4,224	20,430	13,880	48,241	133,220	114,292	247,443	444,146	2,728,334	207,233																						
Aug-04	4,775,417	80	15,349	3,845	4,873	5,344	8,201	10,374	23,140	23,204	54,641	95,999	135,832	226,269	452,921	2,645,824	287,094																					
Sep-04	4,352,172	5,133	3,562	10,910	21,124	13,712	6,614	16,012	22,201	15,352	31,512	44,118	131,813	204,721	376,427	1,251,611	3,342,837	607,024																				
Oct-04	3,347,301	1,443	1,837	7,085	11,603	17,320	1,741	2,185	1,162	4,166	10,733	21,904	36,087	103,332	182,831	326,225	539,462	1,115,939	641,423																			
Nov-04	2,329,111	4,203	419	650	650	1,348	1,645	5,443	19,150	6,645	7,145	19,614	31,063	63,637	133,094	220,664	352,243	1,040,900	3,000,897	341,225																		
Dec-04	4,981,119	724	1,944	1,206	7,234	1,523	654	1,646	17,013	1,038	12,244	7,266	20,212	15,204	42,122	138,311	154,204	338,213	1,211,017	3,322,444	647,021																	
Jan-05	3,743,927	694	648	1,439	1,011	3,551	668	2,711	3,904	4,744	4,744	8,871	17,815	15,328	31,945	44,647	145,282	313,497	221,614	990,037	3,432,203	515,323																
Feb-05	3,826,136	43	283	744	853	1,474	1,201	4,616	2,728	3,858	5,271	7,840	7,244	9,483	22,745	34,284	61,265	115,946	144,387	155,378	1,060,790	3,401,767	511,337															
Mar-05	4,644,822	365	243	98	613	1,520	820	391	7,222	1,120	3,449	110,242	116,744	1,424	1,782	27,420	65,546	124,211	247,738	413,185	1,471,251	3,446,478	704,134															
Apr-05	4,763,429	31	1,677	1,322	416	2,672	4,838	874	1,453	2,432	773	9,133	9,529	3,664	19,262	11,020	20,044	46,448	43,222	62,425	720,181	2,440,063	1,441,937	3,447,244	673,846													
May-05	4,906,461	61	0	211	0	64	1,324	417	937	31	11,544	3,721	2,401	1,393	4,225	7,971	3,181	21,348	34,410	54,425	408,414	1,372,443	244,473	1,031,473	3,261,347	352,344												
Jun-05	6,781,432	2,631	11,058	1,214	1,539	2,233	1,287	2,341	7,104	2,756	3,773	3,301	9,022	7,221	7,502	1,470	1,344	18,244	28,640	47,843	64,493	244,564	341,410	1,458,634	3,611,133	623,441												
Jul-05	4,720,724	1,433	155	37	641	541	61	224	1,912	1,601	1,204	18,881	1,201	1,784	1,641	5,242	19,222	14,120	14,344	42,128	84,844	119,003	199,422	347,344	1,140,762	3,180,142	444,601											
Aug-05	4,422,443	4,244	11,111	147	651	151	1,155	101	424	24	644	3,224	2,124	4,444	4,641	1,511	7,200	11,429	4,200	11,248	21,337	22,211	20,442	115,524	147,347	147,345	1,044,350	2,235,370	191,332									
Sep-05	4,927,427	19,873	155	37	124	5,244	2,344	2,756	14,844	11,704	7,014	4,108	5,461	8,133	2,944	5,723	3,974	11,650	10,657	18,344	24,243	41,504	107,889	84,044	190,242	416,344	1,442,227	3,131,044	444,444									
Oct-05	4,044,247	1,674	551	1,974	454	194	443	144	9,875	1,927	1,214	5,164	2,964	4,841	3,827	4,421	3,391	12,421	5,714	14,443	6,275	22,718	33,115	34,764	74,825	86,245	215,241	347,001	1,042,233	2,615,121	414,642							
Nov-05	4,527,027	45	1,348	1,020	111	112	21	1,244	749	0	3,108	4,004	3,144	6,813	7,917	3,247	13,074	6,810	11,120	5,206	15,125	6,214	6,312	6,001	3,192													



Dental Payments by the Claims Processing System

Incurring Month of Servi

Month Paid by the Claims System	Incurring Month of Servi																																							
	Total	Before July	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05		
Jul-02	2,022	2,022	0																																					
Aug-02	2,855	1,549	1,306	0																																				
Sep-02	2,716	1,053	1,196	418	21																																			
Oct-02	8,548	1,161	539	4,238	2,512																																			
Nov-02	588	(200)	(408)	338	659																																			
Dec-02	70	0	0	55	15																																			
Jan-03	0	0	0	0	0	0																																		
Feb-03	0	0	0	0	0	0	0																																	
Mar-03	0	0	0	0	0	0	0	0																																
Apr-03	0	0	0	0	0	0	0	0	0																															
May-03	0	0	0	0	0	0	0	0	0	0																														
Jun-03	0	0	0	0	0	0	0	0	0	0	0																													
Jul-03	0	0	0	0	0	0	0	0	0	0	0	0																												
Aug-03	0	0	0	0	0	0	0	0	0	0	0	0	0																											
Sep-03	0	0	0	0	0	0	0	0	0	0	0	0	0	0																										
Oct-03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																									
Nov-03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																								
Dec-03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																							
Jan-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																						
Feb-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																					
Mar-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																				
Apr-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																			
May-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																		
Jun-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																		
Jul-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																	
Aug-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																
Sep-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0															
Oct-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0													
Nov-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0												
Dec-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0											
Jan-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Feb-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
Mar-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
Apr-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
May-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Jun-05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Totals	16,800	5,815	2,733	5,044	3,408	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

11,164 Total for Dates of Service after 7/1/02

**TennCare Reconciliation Between NAIC Statement & MSM Report  
As of December 31, 2008**

<u>TennCare Capitation Revenue</u>	
TennCare Premium Per NAIC Statement at December 2008	<u>207,925,863</u>
TennCare claims paid January - December 2008	185,218,461
Change in IBNR	2,566,839
TennCare Administration Revenue	13,373,704
TennCare Grossed up Premium tax	3,971,843
Investment Income	0
TennCare capitations	<u>2,795,017</u>
	<u>207,925,863</u>
Difference	<u>0</u>

<u>Pharmacy Claims</u>	
Pharmacy Services Per NAIC Statement at December 2008	<u>0</u>
Pharmacy Claims Not Yet Invoiced	
Not Pharmacy Claims and Pharmacy Rebates per MFT Report	<u>0</u>
Difference	<u>0</u>

<u>Capitation Expense</u>			
	<u>Capitations</u>	<u>Claims</u>	<u>Total</u>
Vision Services (Line 14 per NAIC Statement)	306,750	479,696	786,446
Dental Services (Line 13 per NAIC Statement)	0	0	0
Transportation Services (Line 21 per NAIC Statement)	1,881,711		
Less administrative component of capitations reduction	(1,991,920)		
<b>Total Capitations Included on NAIC Statement</b>	<u>1,991,920</u>		
Capitation Payments Per MFT Report for December 2008	<u>1,991,920</u>		
Difference	<u>0</u>		

<u>Dental Claims</u>			
	<u>Capitations</u>	<u>Claims</u>	<u>Total</u>
Dental Services (Line 13 per NAIC Statement)	0	0	0
Dental Claims Paid not yet billed			0
<b>Total Dental Claims</b>			<u>0</u>
Difference			<u>0</u>

<u>All Other Claims &amp; Reserve</u>			
	<u>Claims</u>	<u>Capitations</u>	<u>Total</u>
Vision Claims (Line 14 per NAIC Statement)	479,696	306,750	786,446
Fee-For-Service Physician Services (Line 8 per NAIC Statement)	51,772,644		
Inpatient Hospital Services (Line 9 per NAIC Statement)	42,786,914		
Outpatient Services (Line 10 per NAIC Statement)	77,918,599		
Emergency Room Services (Line 11 per NAIC Statement)	0		
Home Health Services (Line 16 per NAIC Statement)	6,762,871		
Chiropractic Services (Line 17 per NAIC Statement)	0		
Radiology Services (Line 18 per NAIC Statement)	4,356,809		
Laboratory Services (Line 19 per NAIC Statement)	4,187,462		
Durable Medical Equipment Services (Line 20 per NAIC Statement)	0		
Miscellaneous other			
<b>Claims and Change In Reserves per NAIC Statement at 12/31/08</b>	<u>188,264,996</u>		
Total Change in Self Funded Reserves	2,566,839		
UB 92 Payments Paid January - December 2008 for Dates of Service January - December 2008	88,694,585		
UB 92 Payments Paid January - December 2008 for Dates of Service January - December 2007	23,430,551		
UB 92 Payments Paid January - December 2008 for Dates of Service January - December 2006	1,079,511		
UB 92 Payments Paid January - December 2008 for Dates of Service January - December 2005	(119,262)		
UB 92 Payments Paid January - December 2008 for Dates of Service January - December 2004	(56,703)		
UB 92 Payments Paid January - December 2008 for Dates of Service January - December 2003 and prior	(7,343)		
HCFA 1500 Payments Paid January - December 2008 for Dates of Service January - December 2008	60,939,622		
HCFA 1500 Payments Paid January - December 2008 for Dates of Service January - December 2007	8,422,626		
HCFA 1500 Payments Paid January - December 2008 for Dates of Service January - December 2006	(3,702)		
HCFA 1500 Payments Paid January - December 2008 for Dates of Service January - December 2005	(18,483)		
HCFA 1500 Payments Paid January - December 2008 for Dates of Service January - December 2004	(6,815)		
HCFA 1500 Payments Paid January - December 2008 for Dates of Service January - December 2003 and prior	(2,817)		
Vision claims	479,696		
Adjustment of MSM report to cash basis from accounting month	299,943		
	<u>185,698,157</u>		
<b>Total Paid Claims and Change in Reserves</b>	<u>188,264,996</u>		
Difference	<u>(0)</u>		