

APPENDIX B

APPLICANT'S CONTRACT/COMPLIANCE EXPERIENCE

The purpose of Appendix B is to document an Applicant's experience in providing managed care services since January 2004 and to identify the compliance history associated with the contractual requirements in providing those services. An Applicant must report experience and compliance as required in this Appendix, which may include being credited with the health plan experience/compliance of itself and/or any entity within its corporate family as defined in Section II.A Definitions/Applicable Regulations of this RFA.

Applicants must submit the following forms:

- One (1) "Applicant Contract/Compliance Summary Form"
- No more than a total of twenty (20) "Applicant Contract /Compliance Experience Forms" with a maximum of five (5) forms for each of the lines of business/population categories (i.e., ABD Medicaid, Non-ABD Medicaid, Medicare, and Commercial).

For each state in which the Applicant or a member of its corporate family provides services through a managed care system, a separate form must be submitted for each line of business/population. There are three lines of business of interest: Medicaid, Medicare and Commercial. In the case of Medicaid, Applicants are required to divide their experience between ABD Medicaid and Non-ABD Medicaid if possible. If breaking out the Medicaid population between ABD and Non-ABD is not possible or feasible, the Applicant must report the Medicaid experience in a particular state as Non-ABD Medicaid.

One "Applicant's Contract/Compliance Experience" form must be completed for each state and line of business/population (ABD Medicaid, Non-ABD Medicaid, Medicare and Commercial) in which the Applicant provides health services. If an Applicant has experience with a line business/population in more than five states, then the Applicant must report the experience in Ohio and the four other states with the largest number of current membership. Therefore, an Applicant may not report more than 5 forms (experience in five states) for each of the lines of business/populations.

As an example, if an applicant has two (2) separately licensed Medicare health plans in the state of Ohio, one (1) Medicare plan in Texas and, in addition, the applicant has six (6) separately licensed health plans that service the Commercial population in the six states of Ohio, Texas, New York, California, Indiana and Michigan then the applicant would need to complete (seven) 7 forms:

- 1 form for the Medicare experience in Ohio,
- 1 form for the Medicare experience in Texas,
- 1 form for the Commercial experience in Ohio; and
- 4 additional forms in which a separate form represents the Commercial experience in the four remaining states with the largest commercial membership.

INSTRUCTIONS FOR “APPLICANT’S CONTRACT/COMPLIANCE SUMMARY FORM”

A count of the number of total forms submitted for each of the four product lines/populations must be recorded on the form entitled: “APPLICANT’S CONTRACT/COMPLIANCE SUMMARY FORM.” ODJFS will use this summary to determine whether all “Applicant’s Contract/Compliance Experience Forms” have been submitted as part of Appendix B.

INSTRUCTIONS FOR “APPLICANT’S CONTRACT/COMPLIANCE EXPERIENCE FORM”

The following are instructions for each section of the form:

Item 1: Name of Applicant – The name of the health insuring corporation as it appears on the license issued, or the licensure application currently under review, by the Ohio Department of Insurance (ODI).

Item 2: Name of Individual Completing This Form – The name of the individual completing the form.

Item 3: State – One of the fifty states or federal district of the United States of America where Applicant or a member of its corporate family was/is contracted to provide the managed care services for the line of business/population reported in this copy of the form.

Item 4: Line of Business/Population – Place an “X” in only one box that identifies the line of business/population that is being reported on the form. All experience for a Line of Business/Population provided within the state specified in Item 3 must be reported. Definitions of the Line of Business/Population can be found in Section II.A Definitions/Applicable Regulations of this RFA.

Item 5: Calendar Year (CY) – Enter the total number of months for each of the indicated calendar years that the Applicant or a member of its corporate family provided services. Partial months should not be counted. For example, if the Applicant files its application in January 2009, but services to members began under the reported health plan in October 1, 2006 through the present then the applicant would report CY 2005 = 0 months, CY 2006 = 3 months, CY 2007 = 12 months and CY 2008 = 12 months.

Item 6: Services and Risk – Place an “X” in each applicable box to identify the services the Applicant or member of it corporate family was/is contracted to provide. For each box that the Applicant checks, the Applicant must then place an “X” in the **one** box that describes the financial risk assumed by the corporate family (i.e., full, partial or none) in providing the services under the terms of their contract.

N/A = if the corporate family did not provide this service then check this box.

Full Risk = if 80% or more of payments received for managing health care to members is at risk then check this box.

Partial = if less than 80%, but 20% or more of payments received for managing health care to members is at risk then check this box.

No = if less than 20% of payments received for managing health care to members is at risk then check this box.

Item 7: Member Months – A member month is defined as 1 member being enrolled for 1 month. For example, an individual who is a member of a plan for a full year generates 12 member months and a family of 5 enrolled for 6 months generates (5 X 6) 30 member months. The Applicant is to provide the total number of member months for each of the calendar years.

Item 8: Rural Service Area - Place an “X” in this box if the Applicant or a member of its corporate family provided services under the reported line of business/population to its members residing in a county that meets the federal definition of “rural” [42 CFR 412.62(f)(1)(iii)].

Item 9: Medical Expense Ratio – The Medical Expense Ratio is to be calculated by dividing total net medical expenses (gross medical claims plus reinsurance expenses minus reinsurance recoveries) by total revenue (Net Medical Expenses/Revenue).

Item 10: Administrative Expense Ratio – The Administrative Expense Ratio is to be calculated by dividing total administrative expense by total revenue (Administration Expense/Revenue). Any portion of a broad-based health care related tax that is reimbursed back to the Applicant by a state agency should not be counted as an administrative expense (e.g. Ohio’s managed care franchise fee).

Item 11: Accreditation – Applicant may check “Yes” if at least one member of the corporate family for this line of business/population in the reported state has a current accreditation level of Accredited, Commendable or Excellent with the National Committee for Quality Assurance (NCQA) or currently passed accreditation (i.e., not conditional) with Utilization Review Accreditation Commission(URAC) for any of the following programs: case management, claims processing, disease management, drug therapy management, health call center, health plan, health provider credentialing, health utilization management, Medicare Advantage deeming program, or pharmacy benefit management. **Applicants that check YES for accreditation with URAC must identify each accredited program.**

Item 12: Applicant subject to any official governmental action revoking or proposing to revoke its licensure. Check “Yes” if since January 1, 2007 a government entity issued notice stating it will, or may, revoke a license of one of the health plans for which experience has been reported on the form.

Item 13: Primary Care Provider Turnover – The percentage of primary care providers affiliated with the corporate family and providing services under the reported line of business/population as of the first day of the measurement year (e.g. January 1, 2007) who were not affiliated with the corporate family as of the last day of the measurement year (e.g. December 31, 2007). Applicant must report for CY 2007 if available. If information for CY 2007 is not available then the most current year must be reported.

Item 14: New Member Freeze – If entry of consumers was stopped, reduced or frozen by action of a governmental body for reasons related to poor/unacceptable performance in delivering services then place a check in the boxes when the freeze/reduction was in effect. Do not check a box if a reduction/freeze was the result of market share or other reason not directly related to negative performance of the corporate family or its delegated entity.

Item 15: Proposed Contract Termination/Nonrenewal – The Applicant must check this box if a state or the federal government proposed in a written/typed communication to terminate or not renew

its contract with the Applicant or member of the corporate family for reasons related to negative performance of the corporate family or its delegated entity.

Item 16: Contract Denial/Termination/Nonrenewal - The Applicant must check this box if a state or the federal government initiated and executed a termination or nonrenewal of its contract with the Applicant or member of the corporate family for reasons related to negative performance of the corporate family or its delegated entity.

APPLICANT CONTRACT/COMPLIANCE SUMMARY FORM

(Cover Page for Appendix B Filing)

Instructions:

Applicants are to complete this form to serve as a reference for ODJFS. This form will enable ODJFS to know how many Appendix B forms to expect; (i.e. if the Applicant checks “Medicare”, and places a “3” in the “Number of States” box, ODJFS would expect three (3) separate Applicant Contract/Compliance Experience Forms representing Medicare experience in three states.)

Applicants are to check which line of business/population(s) for which they have reported experience and fill in the number of states represented by the forms.

| Line of Business/Population | Check Box if yes | Number of States (No more than 5 forms per Line of Business/Population) |
|------------------------------------|-----------------------------|--|
| Medicaid | | |
| ABD | <input type="checkbox"/> | |
| Non-ABD | <input type="checkbox"/> | |
| Medicare | <input type="checkbox"/> | |
| Commercial | <input type="checkbox"/> | |

APPLICANT CONTRACT/COMPLIANCE EXPERIENCE FORM

Item 1: Name of Applicant:

Item 2: Name of Individual Completing This Form:

A separate form for each state and line of business/population

Item 3: State:

Item 4: Line of Business/Population (check only one):

ABD Medicaid Non-ABD Medicaid Medicare Commercial

| Item 5: Calendar Year | CY 2005 Full Months: | CY 2006 Full Months: | CY 2007 Full Months: | CY 2008 Full Months: |
|--------------------------------------|--|--|--|--|
| Item 6: Services & Risk: | | | | |
| <input type="checkbox"/> Hospital | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No |
| <input type="checkbox"/> Primary | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No |
| <input type="checkbox"/> Specialist | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No |
| <input type="checkbox"/> Home Health | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No |
| <input type="checkbox"/> Pharmacy | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No |
| <input type="checkbox"/> Dental | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No | <input type="checkbox"/> - N/A <input type="checkbox"/> - Full <input type="checkbox"/> - Partial <input type="checkbox"/> - No |
| Services & Risk cont. | | | | |

APPLICANT CONTRACT/COMPLIANCE EXPERIENCE FORM

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Item 12: Was Applicant subject to any official governmental action revoking or proposing to revoke its licensure since January 1, 2005 (for the state and population identified on this form)?

Yes No

Item 13:

| | |
|--------------------------------|---------------------------|
| | CY 2007 or latest year |
| Primary Care Provider Turnover | |

If experience reported on this form is relating to ABD, Non-ABD Medicaid, or Medicare line of business/population then provide a response to the following:

Items 14, 15 & 16:

Was the health plan subject to any of the following regulatory actions? Yes No

If Yes, check the applicable action for the calendar year(s) that the action was in effect:

| | CY 2005 | CY 2006 | CY 2007 | CY 2008 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| New Member Freeze | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Proposed Contract Termination/Nonrenewal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Contract Denial/Termination/Nonrenewal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Provide the primary contact information, including the name, telephone and fax numbers, for the agency that proposed and/or assessed the above regulatory action(s).

ODJFS reserves the right to contact Applicants subsequent to application submission for clarification.

Appendix B
Applicant's Contract/Compliance Experience
Scoring Methodology

The following score sheet and related scoring methodology will be used by ODJFS to evaluate each applicant's submitted information for this Appendix. Applicants are NOT to fill out and return the "Score Sheet" for this or any section. The score sheets are presented within this RFA to establish the criteria, and their relative importance within the entire RFA scoring process, on which applications will be evaluated and through which the successful applicant selected. Applicants are strongly encouraged to use all score sheets to evaluate their own application packages for completeness, quality, and compliance with instructions and requirements prior to submitting them to ODJFS.

Overview:

- Step 1: ODJFS will score each individual Appendix B form independently not to exceed a total of 3,000 points for each form. See below Step 1: Scoring of Individual Forms.
- Step 2: All forms for each of the four lines of business/populations (ABD, Non-ABD Medicaid, Medicare and Commercial) will be combined into one score using "Member Months" to derive a single score for each Line of business/population not to exceed 3,000 for each business line/population. See below Step 2: Combining Individual Forms for Each Line of Business/Population.
- Step 3: The individual scores for each of the four business lines/populations will be assigned a weight and combined into a single score for Appendix B that will not exceed 3,000. See below Step 3: Combining Line of Business/Population Scores into a Final Score.

Step 1: Scoring of Individual Forms

- 1. To start, Applicants receive points for each calendar year by checking various boxes of **Item 6, Services & Risks** as indicated in Exhibit B-1. The score is tallied by calendar year.
- 2. Should an Applicant report less than three (3) months of experience for any calendar year then the score for that calendar year shall be made zero.
- 3. The individual calendar scores obtained above are multiplied by percentages outlined in Exhibit B-1 in the following order:
 - a. **Item 7: Member Months** – Any calendar year with less than 600,000 member months is reduced by the percentage shown in Exhibit B-1.

- b. **Item 8:** Rural Service Area – if the rural service area box is marked then the corresponding calendar year is increased by the percentage shown in Exhibit B-1.
4. Individual calendar year scores are added together to produce a single preliminary score for the form.
 5. The preliminary score (hereafter referred to as “score”) is multiplied by the following factors in the following order:
 - a. **Item 9:** Medical Expense Ratio – the ratio reported for CY 2007, or earlier year if allowed per the RFA instructions, is compared to the range provide in Exhibit B-1. Should the reported ratio fall outside the range provided in Exhibit B-1 then the score is reduced by the percentage set forth in Exhibit B-1.
 - b. **Item 10:** Administrative Expense Ratio - the ratio reported for CY 2007, or earlier year if allowed per the RFA instructions, is compared to the administrative expense ratio provide in Exhibit B-1. If the reported ratio is greater that that provided in Exhibit A then the score is reduced by the percentage set forth in Exhibit B-1.
 - c. **Item 11:** Accreditation – Should the Applicant indicate that there is accreditation then the score is increased by the percentage indicated in Exhibit B-1. But, in no case will the increase due to accreditation exceed (5%) five percent.
 - d. **Item 12:** Subject to Official Government Action Revoking or Proposing to Revoke – checking the “YES” box will result in a decrease to the score as set forth in Exhibit B-1.
 - e. **Item 13:** Primary Care Provider Turnover – PCP turnover greater than the ratio provided in Exhibit B-1 will result in a decrease to the score as set forth in Exhibit B-1.
 - f. **Items 14, 15 & 16:** New Member Freeze; Proposed Contract Termination/Nonrenewal; Contract Denial/Termination/Nonrenewal – Should any of the boxes be checked in for any year and for any item then the score will be decreased by the percentage indicated in Exhibit B-1.
 6. If the experience reported on the form is for Ohio as indicated for Item 3 on the form then the score is increased by the percentage stated in Exhibit B-1 at Item 3.

Step 2: Combining Individual Forms for Each Line of Business/Population

1. For each line of business/population (ABD Medicaid, Non-ABD Medicaid, Medicare, Commercial), scores from all individual forms derived by following Step 1 are combined into one score for the line of business/population by assigning a weight to each individual form based on the most recently reported Member Months as follows (See Exhibit B-2):
 - a. For each line of business/population, Member Months from CY 2008, or the most recent calendar year reported on the form, are totaled (Total Member Months);

- b. The reported Member Months for each of these individual forms is divided by the Total Member Months to get a weighting for each form;
 - c. The score for each form is multiplied by its weight to get a weighted score;
 - d. All weighted scores are added together to get one score for the line of business/population.
2. If there is only one form submitted for a particular line of business/population then the score is reduced by the percentage shown at the bottom of Exhibit B-2.

Step 3: Combining Line of Business/Population Scores into a Final Score

1. The line of business/population scores calculated in Step 2 are combined to derive a final, single score for Appendix B using the percentages as outlined in Exhibit B-3.
2. The percentages used to combine line of business/population scores depends on which lines of business/populations received a score. For example, if an Applicant submitted forms representing experience with Non-ABD Medicaid and Medicare (i.e. no experience with ABD Medicaid or Commercial) then Line 9 of Exhibit B-3 would be used. The Non-ABD Medicaid score would be multiplied by 80% and the Medicare score would be multiplied by 5%. The results of these two calculations would be added together to get a single score.
3. A maximum of 3,000 points may be awarded for Appendix B. Any Applicant that receives a score of more than 3,000 as a result of the calculations set forth above will be credited with 3,000.