

**Draft Attachment A: Prior Period Coverage Reconciliation - Example**

**HEALTH PLAN  
PRIOR PERIOD COVERAGE RECONCILIATION - EXAMPLE  
FOR CONTRACT YEAR ENDED XX/XX/XX**

PPC	TANF <1	TANF 1-13	TANF 14-44F	TANF 14-44M	TANF 45+	SSI/W	SSI W/O	SOBRA Pregnant Women	AHCCCS Care	TOTAL
PPC Capitation <sup>1</sup>	\$ 315,000.00	\$ 100,000.00	\$ 308,000.00	\$ 80,000.00	\$ 40,000.00	\$ 4,000.00	\$ 15,000.00	\$ 75,000.00	\$ 500,000.00	\$ 1,437,000.00
Less: Premium Tax <sup>3</sup>	\$ 6,300.00	\$ 2,000.00	\$ 6,160.00	\$ 1,600.00	\$ 800.00	\$ 80.00	\$ 300.00	\$ 1,500.00	\$ 10,000.00	\$ 28,740.00
Less: Administrative Component	\$ 22,866.67	\$ 7,259.26	\$ 22,358.52	\$ 5,807.41	\$ 2,903.70	\$ 290.37	\$ 1,088.89	\$ 5,444.44	\$ 36,296.30	\$ 104,315.56
<b>PPC Net Capitation</b>	<b>\$ 285,833.33</b>	<b>\$ 90,740.74</b>	<b>\$ 279,481.48</b>	<b>\$ 72,592.59</b>	<b>\$ 36,296.30</b>	<b>\$ 3,629.63</b>	<b>\$ 13,611.11</b>	<b>\$ 68,055.56</b>	<b>\$ 453,703.70</b>	<b>\$ 1,303,944.44</b>
Less: PPC Medical Expense <sup>2</sup>	\$ 275,000.00	\$ 90,000.00	\$ 280,000.00	\$ 74,000.00	\$ 37,000.00	\$ 4,500.00	\$ 16,000.00	\$ 65,000.00	\$ 200,000.00	\$ 1,041,500.00
<b>Profit/(Loss) to be reconciled</b>	<b>\$ 10,833.33</b>	<b>\$ 740.74</b>	<b>\$ (518.52)</b>	<b>\$ (1,407.41)</b>	<b>\$ (703.70)</b>	<b>\$ (870.37)</b>	<b>\$ (2,388.89)</b>	<b>\$ 3,055.56</b>	<b>\$ 253,703.70</b>	<b>\$ 262,444.44</b>
% of Rev Net of Admin	3.79%	0.82%	-0.19%	-1.94%	-1.94%	-23.98%	-17.55%	4.49%	55.92%	20.13%

PPC Net Capitation \$ 1,303,944.44  
 Total Profit/(Loss) to be reconciled \$ 262,444.44

Risk Band Corridor - 2% or (2%) \$ 26,078.89

PPC Amount Due To (From) Contractor \$ (236,365.56)  
 Premium Tax \$ (4,821.86)  
 Total PPC Amount Due To (From) Contractor \$ (241,187.41)

**For all Covered PPC Risk Groups:**  
**Assumptions:**

1) PPC Capitation includes applicable PPC Capitation paid with dates of service in the contract year to be reconciled.  
 2) PPC Medical Expenses include applicable adjudicated encounters based on the date of service for the contract year being reconciled.  
 3) The Contractor is responsible for a premium tax to the Department of Insurance of 2% on all payments received by the Contractor from AHCCCS.