



The enclosed information is health plan revenue and expense data filed with one of three state entities: the Division of Insurance, the Division of Medical Assistance, or the Commonwealth Health Insurance Connector.

Glossary of Terms

Net Premium Income: The amount of revenue collected by the insurer for the administration and payment of medical treatment and services.

Total Revenue: The combined amount of premium income and other revenue collected, such as gains from investments.

Hospital/medical benefits: Payments made to hospitals or physicians for the delivery of medical care. This can include treatment and services during a hospital stay, such as nursing care, use of medical or surgical equipment and supplies, pharmaceutical drugs provided during a hospital stay, and room and board. It may also include services outside the hospital, such as laboratory, physical therapy or other rehabilitation services, and doctor visits. It does not include expenses for emergency room care and out-of-area hospitalization as those items are reported separately. This line item also includes payments to the Uncompensated Care Pool/ Health Safety Net Trust Fund.

Other Professional Services: Payments to non-physician providers for activities in direct support of the provision of medical services, such as pharmacists, psychologists, podiatrists, paramedics, ambulance drivers, and other clinical personnel.

Outside Referrals: Payment for services to providers that are not part of the health plan's network of physicians or hospitals.

ER and Out-of-Area: Payments for emergency room care or urgent services provided by physicians or hospitals outside the health plan's service area.

Prescription Drugs: Payments for pharmaceutical drugs and other pharmacy benefits. It does not include prescription drug charges that are provided in the hospital, which are classified as Hospital/Medical Benefits.

Incentive Pool, Withhold Adjustments and Bonus Amounts: Payment adjustments or bonuses made for meeting certain pre-determined measures of patient satisfaction, access and/or quality outcomes.

Claims Adjustment Expenses: Expenses incurred in connection with the recording, adjustment and settlement of claims, as well as expenses associated with disease management or chronic disease management programs.

General Administrative Expenses: Costs associated with the general expenses, such as member and provider communications, and salaries for personnel not related to administration of claims.

Surplus: All carriers must, by law, maintain minimum levels of surplus (reserves) to ensure that medical claims are paid in the event a catastrophic medical event or if a natural or man-made disaster or some other unforeseen event were to occur.

Net Underwriting Gain or Loss: Excess (surplus) or shortfall beyond what the insurer expected to pay out for medical claims, expenses, taxes, and other obligations.

Commercial Membership: The number of individuals who are insured either through a product license and approved by the state's Division of Insurance and offered by their employer, purchased directly from the health plan, or enrolled in a Commonwealth Choice product available through the Commonwealth Health Insurance Connector Authority.

Medicare Membership: The number of individuals enrolled in the health plan's product available to people age 65 and older.

Medicaid Membership: The number of individuals enrolled in the health plan's Medicaid product, which is designed to serve low-income individuals.

Commonwealth Care: The number of individuals enrolled in the health plan's product that is fully or partially subsidized by the state and is designed for low and moderate-income Massachusetts residents who do not have health insurance and are not eligible for Medicaid.

Medical Expense Ratio: The percentage of premium dollars spent on medical care.

Administrative Expense Ratio: The percentage of premium dollars spent on claims adjustment and general administrative expenses.

Net Income/Loss Ratio: The percentage of premium dollars remaining after medical and administrative expenses are paid that results in a profit or shortfall.



		<u>Year End 2009</u>	<u>Year End 2010</u>
Revenues	Net Premium Income	11,599,431	78,115,939
	Total Revenues	11,599,431	78,115,939
Medical Costs	Hospital/medical benefits	9,065,612	48,539,815
	Other professional services	341,849	1,941,302
	Outside referrals		
	ER and out-of-area	168,764	4,455,725
	Prescription Drugs	1,132,287	9,483,374
	Incentive pool, withhold adjustments and bonus amounts		139,500
Administrative Costs	Claims adjustment expenses	318,984	2,329,267
	General administrative expenses	1,668,310	8,223,345
Surplus	Net Underwriting Gain or (loss)	(1,096,375)	3,003,611
Total Membership	Commercial Membership		236
	Medicare Membership		
	Medicaid Membership		
	Commonwealth Care (incl. Commonwealth Care Bridge)	27,283	35,920

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Year End 2009	92.3%	17.1%	-6.6%
Year End 2010	82.3%	13.5%	-0.2%



Revenues		<u>Year End 2009</u>	<u>Year End 2010</u>
	Net Premium Income	\$1,075,828,891	\$1,093,534,202
	Total Revenues	\$1,075,828,891	\$1,093,534,202
Medical Costs			
	Hospital/medical benefits	\$856,358,623	\$846,422,963
	Other professional services	\$44,952,312	\$49,017,670
	Outside referrals	\$3,381,784	\$3,323,739
	ER and out-of-area	\$2,390,045	\$2,417,265
	Prescription Drugs	\$101,472,598	\$103,163,729
	Incentive pool, withhold adjustments and bonus amounts	\$3,546,881	\$5,310,994
Administrative Costs			
	Claims adjustment expenses	\$12,936,113	\$12,743,982
	General administrative expenses	\$78,457,455	\$86,436,766
Surplus			
	Net Underwriting Gain or (loss)	(\$27,666,920)	(\$15,302,906)
Total Membership			
	Commercial Membership	134,884	119,205
	Medicare Membership	29,994	30,590
	Medicaid Membership	12,182	13,878
	Commonwealth Care	9,175	6,019

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Year End 2009	94.1%	8.5%	-2.6%
Year End 2010	92.3%	9.1%	-1.4%



Revenues		<u>Year End 2009</u>	<u>Year End 2010</u>
	Net Premium Income	\$2,077,766,966	\$2,301,976,475
	Total Revenues	\$2,077,766,966	\$2,301,976,475
Medical Costs			
	Hospital/medical benefits	\$1,444,386,446	\$1,573,096,165
	Other professional services	\$86,791,429	\$104,032,906
	Outside referrals	\$30,323,449	\$35,340,596
	ER and out-of-area	\$42,884,062	\$45,717,395
	Prescription Drugs	\$237,029,496	\$250,807,012
	Incentive pool, withhold adjustments and bonus amounts	\$20,080,661	\$32,926,548
Administrative Costs			
	Claims adjustment expenses	\$99,015,797	\$43,889,897
	General administrative expenses	\$104,766,306	\$178,336,867
Surplus			
	Net Underwriting Gain or (loss)	\$12,926,134	\$38,686,661
Total Membership			
	Commercial Membership	379,941	397,792
	Medicare Membership	25,885	28,880
	Medicaid Membership		0
	Commonwealth Care		0

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Year End 2009	89.6%	9.8%	0.6%
Year End 2010	88.67%	9.65%	1.7%



Revenues		<u>Year End 2009</u>	<u>Year End 2010</u>
	Net Premium Income	\$307,575,645	\$392,349,927
	Total Revenues	\$309,376,904	\$394,694,069
Medical Costs			
	Hospital/medical benefits	\$177,309,309	\$224,426,717
	Other professional services	\$10,410,868	\$13,440,437
	Outside referrals	\$23,336,896	\$24,279,897
	ER and out-of-area	\$10,597,581	\$13,255,425
	Prescription Drugs	\$44,678,862	\$54,275,706
	Incentive pool, withhold adjustments and bonus amounts	\$2,569,061	\$9,330,710
Administrative Costs			
	Claims adjustment expenses	\$10,093,437	\$12,963,638
	General administrative expenses	\$25,751,246	\$29,767,945
Surplus			
	Net Underwriting Gain or (loss)	\$2,828,385	\$10,609,452
Total Membership			
	Commercial Membership	74,755	80,230
	Medicare Membership	838	4,271
	Medicaid Membership		6,893
	Commonwealth Care		

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Year End 2009	87.4%	11.7%	0.9%
Year End 2010	86.4%	10.9%	2.7%

Neighborhood Health Plan

Revenues		<u>Year End 2009</u>	<u>Year End 2010</u>
	Net Premium Income	\$923,914,113	\$1,038,848,706
	Total Revenues	\$923,914,113	\$1,038,848,706
Medical Costs			
	Hospital/medical benefits	\$706,829,445	\$754,129,510
	Other professional services	\$66,266,930	\$84,791,340
	Outside referrals		
	ER and out-of-area	\$34,136,713	\$35,692,830
	Prescription Drugs	\$88,544,519	\$100,304,540
	Incentive pool, withhold adjustments and bonus amounts		
Administrative Costs			
	Claims adjustment expenses	\$29,541,277	\$31,403,687
	General administrative expenses	\$39,816,511	\$41,799,277
Surplus			
	Increase in reserves for health contracts	\$12,510,282	
	Net Underwriting Gain or (loss)	(\$41,221,282)	(\$825,888)
Total Membership			
	Commercial Membership	29,935	
	Medicare Membership		43,105
	Medicaid Membership	139,320	149,475
	Commonwealth Care	32,999	37,150

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Year End 2009	97.0%	7.5%	-4.5%
Year End 2010	93.85%	7.05%	1.03%



Revenues		<u>Calendar Year End 2009</u>		<u>Calendar Year End 2010</u>	
		<u>January 1, 2009-December 31, 2009</u>			
	Net Premium Income		\$730,486,773		\$816,264,857
	Total Revenues		\$732,798,707		\$826,610,532
Medical Costs					
	Hospital/medical benefits		\$238,550,568		\$246,104,566
	Other professional services		\$297,164,035		\$319,614,138
	Outside referrals				
	ER and out-of-area		\$57,444,721		\$49,739,485
	Prescription Drugs		\$103,546,121		\$104,261,468
	Incentive pool, withhold adjustments and bonus amounts				
Administrative Costs					
	Claims adjustment expenses				
	General administrative expenses		\$48,663,477		\$49,004,065
Surplus					
	Net Underwriting Gain or (loss)		(\$12,570,216)		\$57,886,810
Total Membership					
	Commercial Membership				
	Medicare Membership				
	Medicaid Membership		111,528		128,476
	Commonwealth Care		47,982		45,714

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Cal Year End 2009	95.1%	6.6%	(-1.7%)
Cal Year End 2010	87.1%	5.9%	7.0%

TUFTS Health Plan

		<u>Year End 2009</u>	<u>Year End 2010</u>
Revenues	Net Premium Income	\$2,273,000,503	\$2,338,640,951
	Total Revenues	\$2,273,000,503	\$2,338,640,951
Medical Costs	Hospital/medical benefits	\$1,673,324,219	\$1,690,982,338
	Other professional services	\$32,396,184	\$34,846,704
	Outside referrals		
	ER and out-of-area	\$28,779,526	\$28,556,044
	Prescription Drugs	\$260,418,603	\$258,618,649
	Incentive pool, withhold adjustments and bonus amounts	\$57,027,734	\$59,665,905
Administrative Costs	Claims adjustment expenses	\$62,730,958	\$73,782,114
	General administrative expenses	\$154,292,208 443	\$170,384,951
Surplus	Net Underwriting Gain or (loss)	\$4,031,071	\$21,804,246
Total Membership	Commercial Membership	281,983	276,416
	Medicare Membership	81,951	82,028
	Medicaid Membership		
	Commonwealth Care		

	Medical Expense Ratio	Administrative Expense Ratio	Net Income/Loss Ratio
Year End 2009	90.3%	9.5%	0.2%
Year End 2010	88.6%	10.4%	0.9%