

Medical-Loss Ratio Calculations

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$$\text{MLR} = \frac{\text{Patient care costs}}{\text{Total premiums collected}}$$

$$\text{MLR} = \frac{\text{Total Disbursements for Subscriber Care}}{\text{Total Insurance Premiums Collected}}$$

Direct Care Cost Components

- Provider Care Reimbursements
- Wellness Programs – member education
- Disease Mgt Programs
- Utilization Review
- Case Management
- Provider Bonus Reimbursements
- Health Information Kiosks
- Phone Line Support
- On-site clinics
- Health Risk Assessments
- Fraud Prevention
- ICD-10 implementation

(under review)

(excluded from Oct 2010 NAIC letter)