

## **Amended Statement Cover**

1. The Quarterly Statement as of June 30, 2008 has been amended to include West Tennessee Medical Services Monitoring Report along with a Statement of Actuarial Opinion. Also, West Tennessee Report 2A has been amended with changes to IBNR as well as premium.



**QUARTERLY STATEMENT**  
**AS OF June 30, 2008**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**AMERIGROUP Tennessee, Inc.**

NAIC Group Code 1156 (Current Period), 1156 (Prior Period), NAIC Company Code 12941, Employer's ID Number 20-4776597

Organized under the Laws of Tennessee, State of Domicile or Port of Entry Tennessee

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]  
 Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]  
 Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 04/26/2006 Commenced Business 04/01/2007

Statutory Home Office 22 Century Boulevard, Ste 310 (Street and Number), Nashville, TN 37214 (City, or Town, State and Zip Code)

Main Administrative Office 4425 Corporation Lane (Street and Number), Virginia Beach, VA (City or Town, State and Zip Code), (757)473-2721 (Area Code) (Telephone Number)

Mail Address 4425 Corporation Lane (Street and Number or P.O. Box), Virginia Beach, VA 23462 (City, or Town, State and Zip Code)

Primary Location of Books and Records 4425 Corporation Lane (Street and Number), Virginia Beach, VA 23462 (City, or Town, State and Zip Code), (757)473-2721 (Area Code) (Telephone Number)

Internet Website Address www.amerigroupcorp.com

Statutory Statement Contact Margaret Mary Roomsburg (Name), (757)473-2721 (Area Code)(Telephone Number)(Extension)  
mroomsb@amerigroupcorp.com (E-Mail Address), (757)557-6742 (Fax Number)

**OFFICERS**

Name	Title
Charles Brian Shipp	President/CEO
William Gardner Wood, M.D.	Vice President/CMO #
Michael Anthony Scarbrough	Vice President/COO #
Stanley Forrest Baldwin	Vice President/Secretary
Nicholas Joseph Pace, II	Vice President/Asst Secretary
Richard Charles Zoretic	Vice President/Asst Secretary
Scott Wayne Anglin	Vice President/Treasurer
James Ward Truess	Vice President/Asst Treasurer
Karen Lint Shields	Vice President/Asst Treasurer

**OTHERS**

Alvin Brock King, Vice President  
 Linda Kaye Whitley-Taylor, Vice President #

Margaret Mary Roomsburg, Vice President

**DIRECTORS OR TRUSTEES**

Charles Brian Shipp  
 Nicholas Joseph Pace, II

Alvin Brock King

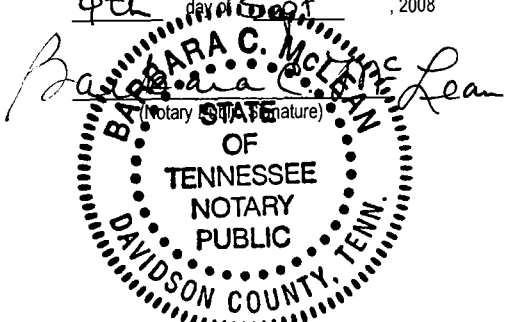
State of Virginia  
 County of Virginia Beach ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Charles Brian Shipp	Stanley Forrest Baldwin	Margaret Mary Roomsburg
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President/CEO	Vice President/Secretary	Vice President
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 4th day of Sept, 2008

- a. Is this an original filing? Yes[ ] No[X]  
 b. If no, 1. State the amendment number 1  
 2. Date filed 09/12/2008  
 3. Number of pages attached 6



NANCY M. NEWSOM  
 NOTARY PUBLIC  
 Commonwealth of Virginia  
 My Commission Expires  
 April 30, 2009

My Commission Expires JAN. 23, 2010

#191631

**AMERIGROUP Tennessee, Inc.**  
**Report 2A - TennCare Income Statement**  
Grand Region West Tennessee CRA 2.30.14.3.3 and 2.30.14.3.4

	<u>Current Period</u>	<u>Year-To-Date Total</u>	<u>Previous Year Total</u>
<b>Member Months</b>	<b>499,914</b>	<b>837,730</b>	<b>337,816</b>
<b>Revenues:</b>			
TennCare Capitation	136,538,814	241,582,195	87,277,680
Investment	-	(220)	220
Other Revenues	-	-	-
<b>Total Estimated Revenues</b>	<b>136,538,814</b>	<b>241,581,975</b>	<b>87,277,900</b>
<b>Expenses:</b>			
<b>Hospital and Medical (w/o Mental Health)</b>			
Capitated Physician Services	3,344,972	5,137,798	1,153,653
Fee for Service Physician Services	9,764,374	23,177,901	7,178,058
Inpatient Hospital Services	21,439,007	39,421,039	8,997,282
Outpatient Services	1,320,480	2,287,800	2,319,275
Emergency Room Services	6,931,158	14,841,415	4,650,891
Mental Health Services	12,275	19,881	3,785
Dental Services	55,981	117,517	43,838
Vision Services	612,896	1,282,406	447,965
Pharmacy Services	-	-	-
Home Health Services	2,950,474	5,940,270	1,529,629
Chiropractic Services	-	-	-
Radiology Services	4,801,056	9,333,555	2,993,082
Laboratory Services	2,324,995	4,775,155	1,677,050
Durable Medical Equipment Services	82,764	170,941	75,209
Transportation Services	439,310	725,772	243,067
Outside Referrals	-	-	-
Medical incentive Pool and Withhold Adjustments	-	-	-
Occupancy Depreciation and Amortization	-	-	-
Other Medical and Hospital Services	35,099,466	71,169,026	16,572,049
<b>IBNR</b>	<b>39,799,603</b>	<b>47,933,149</b>	<b>34,485,394</b>
<b>Subtotal Medical and Hospital</b>	<b>128,978,812</b>	<b>226,333,626</b>	<b>82,370,225</b>
<b>LESS:</b>			
Net Reinsurance Recoveries Incurred	-	-	-
Copayments	-	-	-
Subrogation and Corrdination of Benefits	-	-	-
<b>Subtotal Reinsurance, Copay, Subrogation</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Hospital, Medical, MHS&amp;S</b>	<b>128,978,812</b>	<b>226,333,626</b>	<b>82,370,225</b>
<b>Administation:</b>			
Compensation	2,339,850	4,950,719	1,732,402
Marketing	8,627	12,527	10,975
Interest Expense	-	-	-
Premium Tax Expense	1,835,981	3,758,257	1,039,462
Occupancy, Depreciation, and Amortization	226,500	443,386	216,500
Other Administration - Write-Ins	8,193,657	9,637,232	974,996
<b>Total Administration Expenses</b>	<b>12,604,615</b>	<b>18,802,121</b>	<b>3,974,335</b>
<b>Total Expenses</b>	<b>141,583,426</b>	<b>245,135,747</b>	<b>86,344,560</b>
Extraordinary Item	-	-	-
Provision for Income Tax	-	-	-
<b>Net Income (Loss)</b>	<b>(5,044,612)</b>	<b>(3,553,772)</b>	<b>933,340</b>

Medical Services Monitoring Report

Medical Services Monitoring Report

GRAND REGION

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Medical Services Monitoring Report

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Reporting Month	2004				2008												TOTAL		
	2004 TOTAL	2005 TOTAL	2006 TOTAL	2007 TOTAL	Incurred Month														
					January	February	March	April	May	June	July	August	September	October	November	December			
Jun-08																			
Enrollment	2,361,496	2,252,741	2,061,873	2,046,299	172,885	171,002	170,632	169,719	167,252	163,047	0	0	0	0	0	0	0	0	1,014,538
<b>Payments for Medical Services for the Month</b>																			
UB 92 Payments by the Claims Processing System	188,187,133	187,659,155	177,858,050	187,668,756	18,012,668	15,901,967	15,819,366	13,824,653	10,378,081	3,369,306	0	0	0	0	0	0	0	0	77,306,042
HCFA1500 Payments by the Claims Processing System	125,501,270	122,585,242	115,011,951	119,709,441	10,802,489	10,068,822	9,537,091	9,363,190	6,708,821	1,775,322	0	0	0	0	0	0	0	0	48,255,735
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	10,749,117	12,224,527	12,172,604	12,037,419	576,551	586,240	3,974,803	602,592	1,408,928	1,333,452	0	0	0	0	0	0	0	0	8,482,566
Pharmacy Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subcontractor Payments for Medical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Payment	3,812,768	1,505,199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payments/Adjustments to Medical Costs	3,302,486	3,246,761	3,635,734	3,112,457	137,057	414,852	(139,164)	164,139	(91,170)	263,295	0	0	0	0	0	0	0	0	749,009
Less	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BHO Capitation Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pharmacy Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recoveries not Claims Payments	0	(315,140)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Payments for the month</b>	<b>331,552,774</b>	<b>326,905,744</b>	<b>308,678,338</b>	<b>322,528,073</b>	<b>29,528,765</b>	<b>26,971,882</b>	<b>29,192,097</b>	<b>23,954,574</b>	<b>18,404,659</b>	<b>6,741,374</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134,793,352</b>
Remaining IBNR for the month	1,249	53,281	299,503	2,251,159	1,123,916	1,552,822	2,851,618	4,998,038	11,235,591	23,565,973	0	0	0	0	0	0	0	0	45,327,959
<b>Payments and Remaining IBNR for the month</b>	<b>331,554,023</b>	<b>326,959,024</b>	<b>308,977,841</b>	<b>324,779,232</b>	<b>30,652,681</b>	<b>28,524,703</b>	<b>32,043,715</b>	<b>28,952,612</b>	<b>29,640,251</b>	<b>30,307,348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>180,121,310</b>
Per Member Expense	140.40	145.14	149.85	158.72	177.30	166.81	187.79	170.59	177.22	185.88	-	-	-	-	-	-	-	-	177.34
Per Member Month Exp. For Quarter							177.29			177.79			#DIV/0!					#DIV/0!	
Per Member Month Exp. For Quarter in 2004							160.07			158.20			160.19					156.43	
Per Member Month Exp. For Quarter in 2003							147.79			144.74			155.61					151.28	
Percent Change from 2003 to 2004							0.083098			0.092968			0.02948					0.034059	
Medical Services Budget for 2005 Quarter							173.37			172.91			164.92					161.76	
(Over)/Under Budget							(4)			(5)			#DIV/0!					#DIV/0!	

## Statement of Actuarial Opinion

I, A. Kirk Twiss, am associated with the firm of Reden & Anders, Ltd., and am a Member of the American Academy of Actuaries. Reden & Anders, Ltd. has been retained by Memphis Managed Care Corp. (MMCC) with regard to claim liabilities and related items. I meet the Academy qualification standards for rendering the opinion and I am familiar with the valuation requirements applicable to MMCC.

I have examined the actuarial assumptions and actuarial methods used in determining claim liabilities listed below, as shown in the quarterly statement of MMCC, as prepared for filing with state regulatory officials as of June 30, 2008:

Claims Unpaid (restated April 2002) (Page 3, Line 1)	\$0
Remaining IBNR as of 6/30/2008 (MFT report)	\$47,933,149

I have relied on listings and summaries of claims and other relevant data, as prepared by MMCC. I relied on Jim Proctor, CFO for the accuracy of the data as expressed in the attached statement. In other respects, my examination included such review of the actuarial assumptions and actuarial methods used and such tests of the actuarial calculations as I considered necessary.

I have not reviewed the financial position of any party related by contract to MMCC. I have assumed that such parties are in a financial position to meet all liabilities resulting from such contracts.

In my opinion, the amounts carried in the balance sheet on account of items identified above:

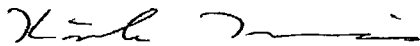
1. Are in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
2. Are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provisions and appropriate to the purpose for which the Statement was prepared;
3. Meet the requirements of the insurance laws and regulations of the state of Tennessee and are at least as great as the minimum aggregate amounts required by Tennessee;
4. Make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements;

5. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
6. Include provision for all actuarial items which ought to be established.

I have reviewed the Underwriting and Investment Exhibit, Part 2B. The schedule was prepared consistent with *Section 3.6, Follow-Up Studies* contained in Actuarial Standard of Practice No. 5, *Incurred Health Claim Liabilities*.

The reserves and related actuarial items identified above make adequate provision for the anticipated cash flows related to the contractual obligations and expenses of MMCC, when considered in conjunction with the assets held by MMCC with respect to such reserves and related actuarial items, including, but not limited to, the cash flows on such assets and the considerations anticipated to be received under such policies and contracts.

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



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A. Kirk Twiss  
Fellow, Society of Actuaries  
Member, American Academy of Actuaries

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AKT:bc

September 3, 2008