



January 14, 2009

STATEMENT OF ACTUARIAL OPINION

Statutory Quarterly Statement of United Healthcare Plan of the River Valley, Inc.
Medicaid Risk Business in Western Tennessee
As of and for the Period Ended December 31, 2008

I, Jed L. Linfield, am a Member of the American Academy of Actuaries (Academy) and am Director of Actuarial Reserving Services for United Healthcare Plan of the River Valley, Inc.'s Medicaid plans. I meet the Academy qualification standards for rendering this statement of actuarial opinion.

This statement is for United Healthcare Plan of the River Valley, Inc.'s Medicaid risk business in Western Tennessee, which had approximately 167,000 members in December 2008. This business became effective November 1, 2008.

I have examined the actuarial assumptions and methods used in determining the loss reserves listed below, as prepared for filing with regulatory officials as of December 31, 2008.

I have determined that the appropriate level for claims liability for this block of business is \$57,798,529.

Note that in the annual statement, both Medicaid and non-Medicaid business is combined.

I have relied upon information supplied by responsible officers of employees of United Healthcare Plan of the River Valley, Inc. as to the accuracy and completeness of listings and summaries of policies and contracts in force and other information underlying the loss reserves. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such test of actuarial calculations as I considered necessary in the circumstances. My examination considered the need for cash flow testing, but none was performed because such tests were determined to be unnecessary. The cash flows associated with United Healthcare Plan of the River Valley, Inc.'s products and investments are believed to be relatively insensitive to influences such as changes in economic conditions.

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

- a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;

- b) Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate for the purpose for which the statement was prepared;
- c) Meet the requirements of the laws of the State of Tennessee;
- d) Make good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;
- e) Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f) Include provision, in the aggregate, for all actuarial reserves and related statement items which ought to be established.

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

This statement has been prepared for inclusion with United Healthcare Plan of the River Valley, Inc.'s statutory quarterly statement for filing with regulatory authorities of the State of Tennessee and is intended for no other purpose.

January 14, 2009




Jed L. Linfield
Fellow, Society of Actuaries
Member, American Academy of Actuaries
AmeriChoice of New Jersey
8045 Leesburg Pike, Sixth Floor
Vienna, Virginia 22182
Phone: (703) 873-6054
e-mail: Jlinfield@uhc.com



January 15, 2009

I, Kent Monical, am employed by AmeriChoice as Vice President, Medical Economics, Corporate Finance. I hereby affirm that the listings, summaries, and analyses relating to data for Medicaid business, prepared for and submitted to Jed L. Linfield, FSA, MAAA in support of his actuarial opinion for United Healthcare Plan of the River Valley, Inc.'s Medicaid risk business in Western Tennessee, as of December 31, 2008, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the quarterly statement for the quarter ended December 31, 2008.



Kent Monical
Vice President
Medical Economics, Corporate Finance
(703) 506 - 3534

Medical Loss Ratio Report - Total

Grand Region

MCO

Americhoice

Reporting Month	2008		For the Year Ended
	Incurred Month		
	December	November	6.30.2009
Enrollment	180,055	167,538	347,593
Capitation Revenue	35,602,293	33,224,697	568,826,990
Payments for Covered Services for the Month			
Medical Services			
CMS 1450-UB 92 Payments by the Claims Processing System			
Inpatient - Maternity	579,013	4,170	583,183
Inpatient - Newborn	127,569	-	127,569
Inpatient - Medical	891,738	-	891,738
Inpatient - Surgery	979,541	25,905	1,005,446
Inpatient Other	42,051	-	42,051
Outpatient - Emergency Room	1,768,587	267,376	2,035,963
Outpatient - Laboratory	57,363	30,993	88,356
Outpatient - Radiology	273,588	86,049	359,637
Outpatient - Surgery	349,569	67,650	417,219
Outpatient - Other	-	-	-
CMS 1500 Payments by the Claims Processing System			
Prof - E&M	1,835,402	809,403	2,644,806
Prof - Maternity	188,360	51,354	239,713
Prof - Surgery	205,011	88,835	293,846
Prof - DME	121,696	24,889	146,585
Prof - Lab	279,729	127,774	407,503
Prof - Radiology	219,279	83,788	303,067
Prof - Transportation	140,000	5,525	145,526
Prof - Other	948,211	272,861	1,221,072
Capitation Payments	194,750	252,495	447,245
Subcontractor Payments for Medical Services	-	-	-
Other Medical (Vision)	-	-	-
Behavioral Health			
Inpatient Payments by the Claims Processing System	185,074	5,370	190,444
Outpatient Payments by the Claims Processing System	178,065	30,794	208,859
Supported Housing Payments by the Claims Processing System	28,263	-	28,263
Intensive Outpatient Payments by the Claims Processing System	1,190	170	1,360
Partial Hospitalization Payments by the Claims Processing System	240	-	240
In Home Payments by the Claims Processing System	-	-	-
Transportation Payments by the Claims Processing System	-	-	-
Twenty-Three Hour Payments by the Claims Processing System	-	-	-
CMHA Capitation Payments	-	-	-
Other Capitation Payments	106,372	106,371	212,743
Grant Payments	-	-	-
Non-FFS Inpatient	-	-	-
Subcontractor Payments for Mental Health and Substance Abuse Services	-	-	-
Crisis Services Team Pass Through	148,583	148,583	297,166
Less:			
Recoveries not Reflected in Claims Payments			
Total Payments	9,849,244	2,490,357	12,339,600
Remaining IBNR	26,932,355	30,866,173	57,798,528
Payments and Remaining IBNR	36,781,599	33,356,530	70,138,129
Medical Loss Ratio	103.31%	100.40%	101.90%
Per Member Expense	\$204.28	\$199.10	\$201.78

Medical Loss Ratio Report - Base Capitation Only

Grand Region

MCO

Reporting Month	2008		For the Year Ended (6/30/2009)
	Incurred Month		
	November	December	
Dec-08			
Enrollment	180,055	167,538	347,593
Capitation Revenue (For base capitation only)	33,288,902.37	30,814,204.73	\$64,103,107
Payments for Covered Services for the Month			
Medical Services			
CMS 1450/UB 92 Payments by the Claims Processing System			
Inpatient - Maternity	\$579,013	\$4,170	\$583,183
Inpatient - Newborn	\$127,569		\$127,569
Inpatient - Medical	\$891,738		\$891,738
Inpatient - Surgery	\$979,541	\$25,905	\$1,005,446
Inpatient Other	\$42,051		\$42,051
Outpatient - Emergency Room	\$1,768,587	\$267,376	\$2,035,963
Outpatient - Laboratory	\$7,363	\$0,993	\$88,356
Outpatient - Radiology	\$273,585	\$6,049	\$359,637
Outpatient - Surgery	\$349,569	\$7,650	\$417,219
Outpatient - Other	-	-	
CMS 1500 Payments by the Claims Processing System			
Prof - E&M	1,835,402	809,403	\$2,644,806
Prof - Maternity	188,360	\$1,354	\$239,713
Prof - Surgery	205,011	88,835	\$293,846
Prof - DME	121,696	24,889	\$146,585
Prof - Lab	279,729	127,774	\$407,503
Prof - Radiology	219,279	83,788	\$303,067
Prof - Transportation	140,000	5,525	\$145,526
Prof - Other	948,211	272,861	\$1,221,072
Capitation Payments	194,749.66	252,495.49	\$447,245
Subcontractor Payments for Medical Services	-	-	
Other Medical (vision)	-	-	
Behavioral Health (Excluding payments on behalf of priority enrollees)			
Inpatient Payments by the Claims Processing System	\$58,494	\$4,795	\$63,289
Outpatient Payments by the Claims Processing System	\$29,921	\$10,111	\$40,032
Supported Housing Payments by the Claims Processing System	\$1,416		\$1,416
Intensive Outpatient Payments by the Claims Processing System	\$340	\$170	\$510
Partial Hospitalization Payments by the Claims Processing System	\$240		\$240
In Home Payments by the Claims Processing System			
Transportation Payments by the Claims Processing System			
Twenty-Three Hour Payments by the Claims Processing System			
CMHA Capitation Payments			
Other Capitation Payments	\$29,040	\$29,039	\$58,079
Grant Payments			
Non-FFS Inpatient			
Subcontractor Payments for Mental Health and Substance Abuse			
Crisis Services Team Pass Through	\$40,563	\$40,563	\$81,126
Less:			
Recoveries not Reflected in Claims Payments			
Total Payments	9,361,471	2,283,747	\$11,645,217
Remaining IBNR	25,012,015	28,637,721	\$53,649,736
Payments and Remaining IBNR	34,373,486	30,921,468	\$65,294,953
Medical Loss Ratio	103.26%	100.35%	101.86%
Per Member Expense	\$190.91	\$184.56	\$187.85

Medical Loss Ratio Report - Priority Add-On Only
Grand Region

MCO

Americhoice	2008		For the Year Ended 6/30/2009
	Reporting Month	Incurred Month	
	Dec-08	November	December
Enrollment (For Priority Enrollees Only)	9,475	9,475	18,950
Capitation Revenue (Priority add-on payment only)	2,313,390.43	\$2,410,492.64	\$4,723,883.07
Payments for Covered Services for the Month			
Medical Services			
CMS 1450/UB 92 Payments by the Claims Processing System			
Inpatient - Maternity			
Inpatient - Newborn			
Inpatient -Medical			
Inpatient - Surgery			
Inpatient Other			
Outpatient - Emergency Room			
Outpatient - Laboratory			
Outpatient - Radiology			
Outpatient - Surgery			
Outpatient - Other			
CMS 1500 Payments by the Claims Processing System			
Prof - E&M			
Prof - Maternity			
Prof - Surgery			
Prof - DME			
Prof - Lab			
Prof - Radiology			
Prof - Transportation			
Prof - Other			
Capitation Payments			
Subcontractor Payments for Medical Services			
Other Medical (Vision)			
Behavioral Health (On behalf of Priority enrollees only)			
Inpatient Payments by the Claims Processing System	\$126,580	\$575	\$127,155
Outpatient Payments by the Claims Processing System	\$148,144	\$20,683	\$168,827
Supported Housing Payments by the Claims Processing System	\$26,847		\$26,847
Intensive Outpatient Payments by the Claims Processing System	\$850		\$850
Partial Hospitalization Payments by the Claims Processing System			
In Home Payments by the Claims Processing System			
Transportation Payments by the Claims Processing System			
Twenty-Three Hour Payments by the Claims Processing System			
CMLIA Capitation Payments			
Other Capitation Payments	\$77,332	\$77,332	\$154,664
Grant Payments			
Non-FFS Inpatient			
Subcontractor Payments for Mental Health and Substance Abuse Services			
Crisis Services Team Pass Through	\$108,020	\$108,020	\$216,040
Less:			
Recoveries not Reflected in Claims Payments			
Total Payments	\$487,773	\$206,610	\$694,383
Remaining IBNR	\$1,920,340	\$2,228,452	\$4,148,792
Payments and Remaining IBNR	\$2,408,113	\$2,435,062	\$4,843,175
Medical Loss Ratio	104.09%	101.02%	102.53%
Per Member Expense	\$254.15	\$257.00	\$255.58

**AmeriChoice - West Tennessee
Reconciliation Between 2A and MLR Report
As of December 31, 2008**

<u>Capitation Revenue</u>		<u>Revenue</u>
Revenue reported per MLR report		68,826,990
TennCare Capitation per 2A		68,826,990
Difference		<u>(0)</u>
<u>Claims & Reserve</u>		<u>Claims</u>
Paid claims per the 2A		12,339,601
Change in IBNR		57,798,528
Total 2A Paid Claims and Change in Reserves		<u>70,138,129</u>
Incurred Claims per the MLR for the reporting period		70,138,129
Restated prior year incurred claims		0
Adjusted MLR		<u>70,138,129</u>
Difference (rounding)		<u>1</u>