

ROI TEMPLATE:
Worksheet for Calculating Financial Return to Sponsoring Tribe/Tribal Health Organization (THO)
from Enrolling Members in Marketplace Coverage

Instructions for Calculating Return on Investment (ROI) from Tribal Sponsorship¹

This ROI Template is for the purpose of assisting a Tribe/THO engaged in Tribal Sponsorship in evaluating the financial results from Tribal Sponsorship.

- “Tribal Sponsorship” is defined as a Tribe or THO paying the health insurance premiums on behalf of Tribal members who enroll in coverage through a Health Insurance Marketplace.
- This template is applicable to Tribal Sponsorship through the Federally-Facilitated Marketplace (FFM) or any of the State-Based Marketplaces (SBMs).
- The ROI Template is structured to calculate and display the financial results of Tribal Sponsorship undertaken by a single Tribe/THO or by multiple Tribes/THOs engaged in a coordinated Tribal Sponsorship program. Alternatively, the ROI Template can be used to calculate and display the results of each sponsored individual (on separate rows), with cumulative results tallied for the entire Tribal Sponsorship program.
- By entering “E” or “C”, the ROI Template generates the ROI based on estimated revenues (“E”), if used early in the billing cycle for the reporting period, or based on actual cash collections (“C”), if used when the billing cycle is complete for the reporting period.

The ROI measure is one approach to displaying financial impact, or financial returns.

- For this ROI Template, ROI is defined as (1) total benefit (2) minus investment, (3) divided by investment.
 - “Total benefit” is the combination of the (a) actual (or estimated) increase in revenues and (b) Purchased/Referred Care (P/RC) program savings experienced by the sponsoring Tribe/THO (Sponsor).²
 - There are several approaches to calculating P/RC savings. One method is to access Explanation of Benefits documents for sponsored individuals to identify payments made by the health plan to non-THO providers for services provided to sponsored individuals.
 - “Investment” is defined as the total costs of sponsorship.
 - Costs of sponsorship typically include: Health insurance premiums paid on behalf of enrollees; salaries and benefits of Tribal Sponsorship program administrators and enrollment staff; office space and supplies; repayment of Advance Payment of Premium Tax Credits (APTCs); outreach and education; legal support; tax counseling; and program evaluation.
- ROI represents the net financial gain or loss to a Sponsor after accounting for (repaying) the Sponsor for its investment.
 - Described in a different way, the ROI calculation indicates the financial return to a Sponsor for each dollar invested by the Sponsor in Tribal Sponsorship, after repayment to the Sponsor for its expenses.

¹ Please contact Doneg McDonough, TSGAC Technical Advisor, at DonegMcD@outlook.com for questions.

² Savings to the national Catastrophic Health Emergency Fund (CHEF) can be included, or shown separately, from the calculation of savings to the P/RC program.

Table Column	Term	Instructions / Definitions	Notes
Worksheet cell T5/6	Estimated Revenues (E) or Actual Cash Collections (C)	ENTER either "E" or "C".	If "E" is entered, ROI Template will use estimated revenues (column K) in calculation of ROI. If "C" is entered, ROI Template will use actual cash collections (column L) in calculation of ROI.
Worksheet cell T7	Discount on Charges	ENTER percentage discount on charges billed to be used in order to estimate revenues (cash) to be collected from health plan(s).	This percentage will be used to generate an estimate of revenues (cash) to be collected from health plan(s).
	Sponsoring THO	ENTER name of sponsoring Tribe(s) or THO(s) (or ENTER identifier for each sponsored enrollee).	Use to display cumulative financial results for THO (or enter detail for each sponsored enrollee).
A	Coverage Years (equivalents)	ENTER enrollee months divided by 12.	Indicates cumulative amount of time enrollees were enrolled in coverage, expressed as a portion of a year (e.g., 4.3 years).
B	Distribution of Sponsored Enrollees	<i>Worksheet calculates</i> percentage distribution of enrollee months across THOs (or enrollees).	Displays the cumulative number of sponsored years for a Tribe (or an individual) as a percentage of the total sponsored years.
C	Gross Revenues, by THO Provider	ENTER total charges billed for services rendered by THO.	Indicates the charges for services provided to enrollees while Marketplace coverage was in effect.
D	Estimated P/RC Savings	ENTER savings to the THO P/RC program as a result of health plan paying for services provided to sponsored individuals.	Assumption is the Sponsoring THO would have paid for these services under P/RC program if not paid for by health plan.
E	Total Gross Revenues and P/RC Savings	<i>Worksheet adds</i> columns C and D, displaying cumulative total by THO (or total for each enrollee).	"Gross Revenues" represent billed charges. Actual revenues (i.e., cash collected) might be a lesser amount.
F	% Distribution of Gross Revenues & P/RC Savings	<i>Worksheet calculates</i> percentage distribution of gross revenues and P/RC savings across THOs (or enrollees).	
G	Premium Payments (allocated)	ENTER total premiums paid at bottom of column G (in worksheet cell K22).	Depending on whether "E" or "C" is entered in worksheet cell T5/6, <i>worksheet allocates</i> premiums to each THO (or enrollee) based on percentage distribution of gross revenues and P/RC savings (column F) or actual cash collection and P/RC savings as a percentage of total (columns L and D).

Table Column	Term	Instructions / Definitions	Notes
H	Tax Credit Repayment Reserves (allocated)	ENTER total APTC reserve amount, if any, at bottom of column H (in worksheet cell L22) for potential repayment liability for excess APTCs paid on behalf of enrollees. Tribal Sponsorship program might protect enrollees from any tax liabilities resulting from excess APTC payments made over coverage year.	Depending on whether “E” or “C” is entered in worksheet cell T5/6, <i>worksheet allocates</i> APTC reserves to each THO (or enrollee) based on percentage distribution of gross revenues and P/RC savings (column F) or actual cash collection and P/RC savings as a percentage of total (columns L and D).
I	Central Administrative Costs (allocated)	ENTER total program costs incurred at bottom of column I (in worksheet cell M22).	Depending on whether “E” or “C” is entered in worksheet cell T5/6, <i>worksheet allocates</i> program costs to each THO (or enrollee) based on percentage distribution of gross revenues and P/RC savings (column F) or actual cash collection and P/RC savings as a percentage of total (columns L and D).
J	Total Sponsorship Program Costs (allocated)	<i>Worksheet adds</i> columns G, H, and I.	As referenced above, total program costs are allocated to each THO (or enrollee) based on estimated revenues (“E”) or actual cash collections (“C”), depending on entry in worksheet cell T5/6.
K	Estimated Revenues (recorded charges discounted by specified percentage)	<i>Worksheet multiplies</i> column C by discount factor (percentage).	Applying a discount factor to the billed charges provides an estimate of revenues (<i>i.e.</i> , cash to be collected) that can be used prior to completion of the billing/payment cycle (<i>i.e.</i> , prior to cash being collected).
L	Actual Revenues to Date	ENTER cash collected from health plan(s) for sponsored enrollees during the reporting period.	Ultimately, the actual revenues (cash) received will replace the estimated revenue figure.
M	Net Return	<i>Worksheet calculates</i> Net Return by subtracting column J from either column K or L (depending on whether “E” or “C” was entered in call T5/6), which (1) adds estimated/actual revenues and P/RC savings and (2) subtracts total sponsorship program costs.	Net Return represents the total financial benefit to THO during Reporting Period after subtracting Tribal Sponsorship program costs.

Table Column	Term	Instructions / Definitions	Notes
N	Return on Investment (ROI) (after repaid investment)	<i>Worksheet calculates</i> ROI by dividing column M by column J. ROI represents total benefit (<i>e.g.</i> , estimated revenues and P/RC savings) minus investment (<i>i.e.</i> , total sponsorship program costs) divided by investment.	This calculation indicates the financial return to a Tribe/THO for each dollar invested in Tribal Sponsorship, after repayment of its initial Tribe/THO investment.
O	THO Funding Commitments to Date	ENTER amount of budget/funding committed by Tribe/THO to Tribal Sponsorship program, if applicable.	Column O helps track Tribe/THO budget/investment commitment against program expenditures.
P	Unexpended THO Program Funding to Date	<i>Worksheet calculates</i> unexpended budget/funding commitments by subtracting column J from column O.	Entering data in columns O and P adds budget status to the ROI report.

THO INTERIM ROI REPORT

EXAMPLE OF SEVERAL SPONSORING THOs ENTERING AGGREGATE THO-SPECIFIC FIGURES

Tribal Sponsorship of Members for Marketplace Coverage*													ESTIMATED REVENUES (E) or ACTUAL CASH COLLECTIONS (C):		C	
"ROI Report": Net Financial Impact on Tribal Health Organizations During Reporting Period													DISCOUNT ON CHARGES***		30%	
[DATES OF REPORTING PERIOD]**																
	A	B	C	D	E	F	G	H	I	J	K (C*discount)	L	M (K-J)	N (M / J)	O	P (O - J)
Sponsoring THO	Coverage Years (equivalents) [enrollee months divided by 12]	Distribution of Sponsored Enrollees	Gross Revenues, by THO Provider (during coverage period)	Estimated P/RC Savings	Total Gross Revenues and P/RC Savings, by THO Provider	% Distribution of Recorded Charges & P/RC Savings, by THO Provider	Premium Payments (allocated)	Tax Credit Repayment Reserves (allocated)	Central Administrative Costs (allocated)	Total Sponsorship Program Costs (allocated)	Estimated Revenues (Recorded charges discounted by figure shown above)**	Actual Cash Collections (Revenues) to Date (as of [])	NET RETURN: (Estimated) Revenues & P/RC Savings minus Total Sponsorship Program Costs	Return on Investment (ROI) ∞ (after repaid investment)	THO Funding Commitments (as of [])	Unexpended THO Program Funding (as of [])
THO #1	4.0	6.5%	\$62,000	\$78,000	\$140,000	18.96%	\$8,817	\$1,058	\$7,054	\$16,929	\$43,400	\$54,807	\$115,878	\$6.84	\$20,000	\$3,071
THO #2	1.4	2.3%	\$2,000	\$3,200	\$5,200	0.70%	\$359	\$43	\$287	\$688	\$1,400	\$2,201	\$4,713	\$6.84	\$20,000	\$19,312
THO #3	10.3	16.9%	\$284,000	\$43	\$284,043	38.48%	\$17,804	\$2,137	\$14,243	\$34,184	\$198,800	\$268,124	\$233,983	\$6.84	\$40,000	\$5,816
THO #4	9.4	15.4%	\$45,000	\$3,400	\$48,400	6.56%	\$1,820	\$218	\$1,456	\$3,494	\$31,500	\$24,009	\$23,915	\$6.84	\$30,000	\$26,506
THO #5	36.0	58.9%	\$148,602	\$112,000	\$260,602	35.30%	\$16,200	\$1,944	\$12,960	\$31,104	\$104,021	\$132,000	\$212,896	\$6.84	\$40,000	\$8,896
		0.0%			\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0
		0.0%			\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0
		0.0%			\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0
		0.0%			\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0
		0.0%			\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	\$0	\$0
Total	61	100.0%	\$541,602	\$196,643	\$738,245	100%	\$45,000	\$5,400	\$36,000	\$86,400	\$379,121	\$481,141	\$591,384	\$6.84	\$150,000	\$63,600

* Biege colored cells indicate titles / fields that data are to be entered.

** Data on recorded charges, premium payments, and other administrative costs for the period of [] are included.

*** To estimate revenues (prior to completion of the billing/payment cycle), a discount factor can be applied to the gross revenues (billed charges).

∞ ROI (Return on Investment) is defined as total benefit (e.g., estimated revenues and P/RC savings) minus investment (i.e., total sponsorship program costs), divided by investment. This calculation indicates the financial return to a THO for each dollar invested by the THO in Tribal premium sponsorship, after repayment to the THO of its initial investment.