

March 4, 2021

Via Electronic Mail

Louisiana Department of Health Steve Annison, Medicaid Program Manager 628 N. 4th Street Baton Rouge, LA 70802

Re: Adjusted Medical Loss Ratio Examination Report Transmittal

This letter is to inform you that Myers and Stauffer LC has completed the examination of UnitedHealthcare of Louisiana Adjusted Medical Loss Ratio for the period ended December 31, 2019. As a courtesy to the Louisiana Department of Health and other readers, the health plan management's response letter is included, if provided, in addition to our examination report, as part of this transmittal packet. Myers and Stauffer LC, in no manner, expresses an opinion on the accuracy, truthfulness, or validity of the statements presented within the management's response letter.

Please contact us at the phone number below if you have questions.

Kind Regards,

Myers and Stauffer LC

Myers and Stauffer LC

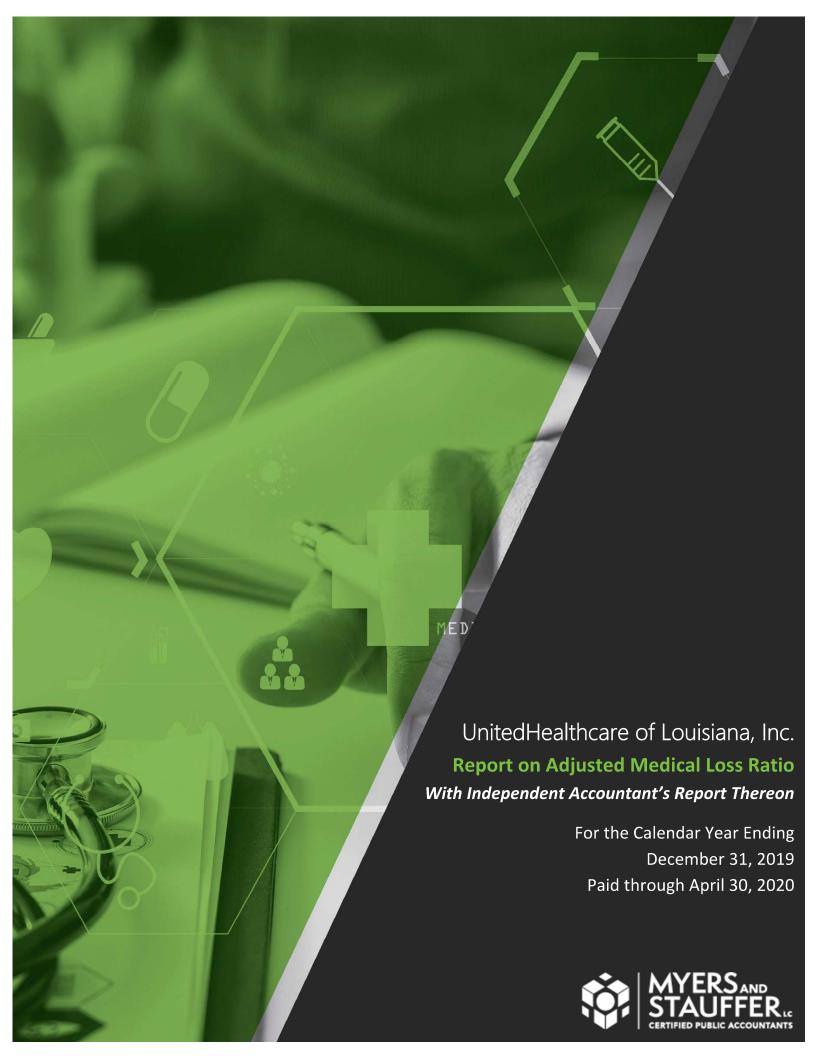




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State of Louisiana Louisiana Department of Health Baton Rouge, Louisiana

Independent Accountant's Report

We have examined the accompanying Adjusted Medical Loss Ratio (MLR) of UnitedHealthcare of Louisiana, Inc. for the calendar year ending December 31, 2019. UnitedHealthcare of Louisiana, Inc.'s management is responsible for presenting the Financial Reporting Template in accordance with the criteria set forth in Healthy Louisiana's MLR Reporting Guide (Guide), and Centers for Medicare & Medicaid Services (CMS) federal guidance (criteria). This criteria was used to prepare the Adjusted MLR. Our responsibility is to express an opinion on the Adjusted MLR based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Adjusted MLR is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted MLR. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement of the Adjusted MLR, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The accompanying Adjusted MLR was prepared for the purpose of complying with the criteria, and is not intended to be a complete presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the above referenced accompanying Adjusted Medical Loss Ratio Rebate Calculation of UnitedHealthcare of Louisiana, Inc. is presented in accordance with the above referenced criteria, in all material respects, and the Adjusted MLR Percentage Achieved exceeds the CMS minimum requirement of eighty-five percent (85%) for the period of January 1, 2019 through December 31, 2019.

This report is intended solely for the information and use of the Louisiana Department of Health, Mercer, and UnitedHealthcare of Louisiana, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC

Myers and Stauffer LC

Atlanta, Georgia February 26, 2021

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Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020

Line #	Line Description		Reported Amounts		Adjustment Amounts		Adjusted Amounts
Expenses							
1	Total Incurred Claims	\$	2,047,548,769	\$	(36,273,605)	\$	2,011,275,164
,	nts to Incurred Claims						
2	Deductions:						
2a	Prescription drug rebates	\$	9,577,820	-	-	\$	9,577,820
2b	Prompt pay discounts	\$	-	\$	-	\$	-
2c	Overpayment recoveries received from providers	\$	1,272,785	\$	-	\$	1,272,785
3	Inclusions:						
3a	Incentive and bonus payments made to providers	\$	49,036,696	-	-	\$	49,036,696
3b	Fraud reduction expenses	\$	390,879	\$	-	\$	390,879
4	Optional Inclusion: Value-Added Services	\$	17,968,009	\$	-	\$	17,968,009
5	Exclusions:						
5a	Non-Claims Costs	\$	4,033,784	\$	-	\$	4,033,784
5b	Prior year MLR rebates paid to LDH	\$	36,273,605	\$	(36,273,605)	\$	-
5c	Payments to delegated vendors exceeding amount paid to providers	\$	-	\$	-	\$	-
5d	Spread pricing amounts paid to PBM	\$	16,577,629	\$	-	\$	16,577,629
5e	Reinsurance premiums exceeding reinsurance recoveries	\$	1,975,422	\$	-	\$	1,975,422
6	Other: Incurred claims assumed	\$	-	\$	-	\$	-
7	Adjusted Incurred Claims	\$	2,045,233,308	\$	-	\$	2,045,233,308
Health Ca	re Quality Improvement (HCQI) Expenses						
8	HCQI administrative expenses	\$	40,741,230	\$	-	\$	40,741,230
9	Exclusions to HCQI	\$	3,681,787	\$	-	\$	3,681,787
Health Inf	Formation Technology (HIT) Expenses						
10	HIT administrative expenses	\$	6,659,843	\$	-	\$	6,659,843
11	Exclusions to HIT expenses	\$	279,242	\$		\$	279,242
12	External Quality Review (EQR) related expenses	\$	-	\$	-	\$	-
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$	2,088,673,352	Ś	-	Ś	2,088,673,352
14	Less: Adjustment for 50% or more of Medical expenses attributed to new enrollees	\$	-	\$		\$	-
15	Add: Prior Year New Enrollee Medical Expenditures deferred to current year from line 30 below	\$	-	\$	-	\$	-
16	Total Adjusted MLR Numerator	\$	2,088,673,352	Ś	-	\$	2,088,673,352
Revenues	,			Ė			
17	Healthy Louisiana Premium Revenue	Ś	2,380,183,734	Ś	-	Ś	2,380,183,734
	ldjustments		_,===,==,==				_,,,
18	Less: Health Insurance Provider Fee (HIPF)	\$		\$		\$	
19	Less: Premium tax component of reported revenue	\$	127,425,628	-		\$	127,425,628
20	Less: Other taxes and licensing and regulatory fees	\$	6,448,450	-		\$	6,448,450
21	Net Annual MLR Revenue	\$	2,246,309,656	-		\$	2,246,309,656
22	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$	-	\$	-	\$	-
23	Add: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component) deferred from prior year from line 29 below	\$	-	\$	-	\$	-
24	Total Adjusted MLR Denominator	\$	2,246,309,656	Ś		\$	2,246,309,656

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Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020

	Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020					
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts		
MLR Calculation						
25	MLR Percentage Achieved	93.0%	0.0%	93.0%		
26	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%		
27	Percentage Below 85% Requirement	0.0%	0.0%	0.0%		
28	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -		

Reconciliation of Prior Year New Enrollee Capitation Exclusion				
29	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$	-	
30	Less: Prior year incurred claims for excluded New Enrollees	\$	-	
31	Total Net Adjustment for New Enrollees from prior years	\$	-	

22	MID Mombor Months	E 224 02E	
34	MLR Member Months	3,344,035	

Credibility Adjustment Applied				
33	MLR Percentage Achieved		93.0%	
34	Credibility Adjustment		0.0%	
35	Adjusted MLR Percentage Achieved		93.0%	
36	MLR Percentage Requirement for Rebate Calculation		85.0%	
37	Percentage Below 85% Requirement		0.0%	
38	Dollar Amount of Rebate Requirement	\$	-	

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Schedule of Adjustments and Comments for the Calendar Year Ending December 31, 2019

During our examination we noted certain matters involving costs, that in our determination did not meet the definitions of allowable medical expenses and other operational matters that are presented for your consideration.

Adjustment #1 – To adjust for an incorrect prior year rebate

The health plan included the 2017 MLR rebate of \$36,273,605 on lines 1 and 5b of the 2019 MLR. There was no prior year rebate calculated for 2018. The 2017 rebate should not have been included on these lines of the 2019 MLR.

Proposed Adjustment				
Line #	Line Description	Amount		
1	Total Incurred Claims	(\$36,273,605)		
5b	Prior year MLR rebates paid to LDH	(\$36,273,605)		

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