

The background of the cover is a blurred photograph of a medical professional, likely a nurse, wearing a white uniform and a face mask. A large, semi-transparent green cross is centered over the image. Various medical icons are overlaid in a light green color, including a syringe, a pill, a virus, a stethoscope, and a group of people. A network of thin green lines connects these icons, suggesting a medical or healthcare system. The right side of the cover features a dark grey diagonal band where the title and other text are located.

AETNA BETTER HEALTH OF LOUISIANA

Medicaid Managed Care Programs

Report on Adjusted Medical Loss Ratio
With Independent Accountant's Report Thereon

For the Calendar Year Ended December 31, 2022
Paid through April 30, 2023



**MYERS AND
STAUFFER** L.C.
CERTIFIED PUBLIC ACCOUNTANTS



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State of Louisiana
Louisiana Department of Health
Baton Rouge, Louisiana

Independent Accountant's Report

We have examined the Medical Loss Ratio Report of Aetna Better Health of Louisiana (health plan) for the calendar year ended December 31, 2022. The health plan's management is responsible for presenting information contained in the Medical Loss Ratio Report in accordance with the criteria set forth in the Code of Federal Regulations (CFR) 42 § 438.8 and other applicable federal guidance (criteria). This criteria was used to prepare the Adjusted Medical Loss Ratio. Our responsibility is to express an opinion on the Adjusted Medical Loss Ratio 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 Medical Loss Ratio is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted Medical Loss Ratio. 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 Medical Loss Ratio, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to our engagement.

The accompanying Adjusted Medical Loss Ratio was prepared from information contained in the Medical Loss Ratio Report 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.

The Other Non-Claims Costs amount reported on the Adjusted Medical Loss Ratio Rebate Calculation has not been subjected to the procedures applied in the examination. In accordance with CFR 42 § 438.8, reporting of the Other Non-Claims Costs is required. Any adjustments to the Other Non-Claims Costs were determined without testing as the procedure was outside of the scope of our examination, and accordingly, we express no opinion on it.

In our opinion, the Adjusted Medical Loss Ratio is presented in accordance with the criteria, in all material respects, and the Adjusted Medical Loss Ratio exceeds the Centers for Medicare & Medicaid Services (CMS) requirement of 85 percent for the Non-Expansion and Expansion populations for the calendar year ended December 31, 2022.



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

Myers and Stauffer LC
Atlanta, Georgia
May 22, 2024



AETNA BETTER HEALTH OF LOUISIANA ADJUSTED MEDICAL LOSS RATIO NON-EXPANSION POPULATION

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023 Non-Expansion Population				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Numerator				
1	Total Incurred Claims	\$ 352,659,711	\$ -	\$ 352,659,711
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ 301,176	\$ -	\$ 301,176
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ 176,470	\$ -	\$ 176,470
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 22,832,730	\$ -	\$ 22,832,730
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ 1,616,663	\$ -	\$ 1,616,663
5	Exclusions:			
5a	Non-Claims Costs	\$ -	\$ -	\$ -
5b	Prior year MLR rebates paid to LDH	\$ -	\$ -	\$ -
5c	Payments delegated vendors exceeding amount paid to providers	\$ 820,076	\$ -	\$ 820,076
5d	Spread pricing amounts paid to PBM	\$ -	\$ -	\$ -
5e	Reinsurance premiums exceeding reinsurance recoveries	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 375,811,381	\$ -	\$ 375,811,381
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI administrative expenses	\$ 6,523,522	\$ -	\$ 6,523,522
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ -	\$ -	\$ -
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 382,334,903	\$ -	\$ 382,334,903
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 33 below	\$ -	\$ -	\$ -
16	Total Adjusted MLR Numerator	\$ 382,334,903	\$ -	\$ 382,334,903
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 19,602,279	\$ -	\$ 19,602,279
18	Program Integrity Activities [42 CFR 438.608(a)(1) through (5), (7), (8) and (b)]. Must reconcile to the detail amounts on the Program Integrity Cost tab)	\$ 882,401	\$ -	\$ 882,401
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ -	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 20,484,680	\$ -	\$ 20,484,680



AETNA BETTER HEALTH OF LOUISIANA ADJUSTED MEDICAL LOSS RATIO NON-EXPANSION POPULATION

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023 Non-Expansion Population				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Denominator				
21	Healthy Louisiana Premium Revenue	\$ 433,318,480	\$ -	\$ 433,318,480
	Revenue Adjustments			
22	Less: Premium tax component of reported revenue	\$ 21,932,339	\$ -	\$ 21,932,339
23	Less: Other taxes and licensing and regulatory fees	\$ 1,604,268	\$ -	\$ 1,604,268
24	Net Annual MLR Revenue	\$ 409,781,873	\$ -	\$ 409,781,873
25	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$ -	\$ -	\$ -
26	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	\$ -	\$ -	\$ -
27	Total Adjusted MLR Denominator	\$ 409,781,873	\$ -	\$ 409,781,873
MLR Calculation				
28	MLR Percentage Achieved	93.3%	0.0%	93.3%
29	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
30	Percentage Below 85% Requirement	0.0%	0.0%	0.0%
31	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -
Reconciliation of Prior Year New Enrollee Capitation Exclusion				
32	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$ -	\$ -	\$ -
33	Less: Prior year incurred claims for excluded New Enrollees	\$ -	\$ -	\$ -
34	Total Net Adjustment for New Enrollees from prior years	\$ -	\$ -	\$ -
35	MLR Member Months	994,996	-	994,996
Credibility Adjustment Applied				
36	MLR Percentage Achieved	0.0%	0.0%	0.0%
37	Credibility Adjustment	0.0%	0.0%	0.0%
38	Adjusted MLR Percentage Achieved	0.0%	0.0%	0.0%
39	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
40	Percentage Below 85% Requirement	85.0%	0.0%	85.0%
41	Dollar Amount of Rebate Requirement	0.0%	0.0%	0.0%

*The Non-Claims Costs line has not been subjected to the procedures applied in the examination, including testing for allowability of expenses or appropriate allocation to the Medicaid line of business. Adjustments identified during the course of the examination were not tested to determine any impact on Non-Claims Costs. Accordingly, we express no opinion on the Non-Claims Costs line.



AETNA BETTER HEALTH OF LOUISIANA ADJUSTED MEDICAL LOSS RATIO EXPANSION POPULATION

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023 Expansion Population				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Numerator				
1	Total Incurred Claims	\$ 563,605,350	\$ -	\$ 563,605,350
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ 702,749	\$ -	\$ 702,749
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ 371,488	\$ -	\$ 371,488
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 34,728,016	\$ -	\$ 34,728,016
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ 3,574,809	\$ -	\$ 3,574,809
5	Exclusions:			
5a	Non-Claims Costs	\$ -	\$ -	\$ -
5b	Prior year MLR rebates paid to LDH	\$ -	\$ -	\$ -
5c	Payments delegated vendors exceeding amount paid to providers	\$ 751,080	\$ -	\$ 751,080
5d	Spread pricing amounts paid to PBM	\$ -	\$ -	\$ -
5e	Reinsurance premiums exceeding reinsurance recoveries	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 600,082,858	\$ -	\$ 600,082,858
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI administrative expenses	\$ 6,062,673	\$ -	\$ 6,062,673
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ -	\$ -	\$ -
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 606,145,531	\$ -	\$ 606,145,531
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 33 below	\$ -	\$ -	\$ -
16	Total Adjusted MLR Numerator	\$ 606,145,531	\$ -	\$ 606,145,531
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 32,026,472	\$ -	\$ 32,026,472
18	Program Integrity Activities [42 CFR 438.608(a)(1) through (5), (7), (8) and (b)]. Must reconcile to the detail amounts on the Program Integrity Cost tab)	\$ 1,402,113	\$ -	\$ 1,402,113
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ -	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 33,428,585	\$ -	\$ 33,428,585



AETNA BETTER HEALTH OF LOUISIANA ADJUSTED MEDICAL LOSS RATIO EXPANSION POPULATION

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023

Adjusted Medical Loss Ratio for the Calendar Year Ended December 31, 2022 Paid Through April 30, 2023 Expansion Population				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Denominator				
21	Healthy Louisiana Premium Revenue	\$ 677,342,991	\$ -	\$ 677,342,991
	Revenue Adjustments			
22	Less: Premium tax component of reported revenue	\$ 33,052,222	\$ -	\$ 33,052,222
23	Less: Other taxes and licensing and regulatory fees	\$ 590,916	\$ -	\$ 590,916
24	Net Annual MLR Revenue	\$ 643,699,852	\$ -	\$ 643,699,852
25	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$ -	\$ -	\$ -
26	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	\$ -	\$ -	\$ -
27	Total Adjusted MLR Denominator	\$ 643,699,852	\$ -	\$ 643,699,852
MLR Calculation				
28	MLR Percentage Achieved	94.2%	0.0%	94.2%
29	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
30	Percentage Below 85% Requirement	0.0%	0.0%	0.0%
31	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -
Reconciliation of Prior Year New Enrollee Capitation Exclusion				
32	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$ -	\$ -	\$ -
33	Less: Prior year incurred claims for excluded New Enrollees	\$ -	\$ -	\$ -
34	Total Net Adjustment for New Enrollees from prior years	\$ -	\$ -	\$ -
35	MLR Member Months	906,987	-	906,987
Credibility Adjustment Applied				
36	MLR Percentage Achieved	0.0%	0.0%	0.0%
37	Credibility Adjustment	0.0%	0.0%	0.0%
38	Adjusted MLR Percentage Achieved	0.0%	0.0%	0.0%
39	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
40	Percentage Below 85% Requirement	85.0%	0.0%	85.0%
41	Dollar Amount of Rebate Requirement	0.0%	0.0%	0.0%

*The Non-Claims Costs line has not been subjected to the procedures applied in the examination, including testing for allowability of expenses or appropriate allocation to the Medicaid line of business. Adjustments identified during the course of the examination were not tested to determine any impact on Non-Claims Costs. Accordingly, we express no opinion on the Non-Claims Costs line.