



May 31, 2024

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 DentaQuest USA Insurance Company, Inc.'s Adjusted Medical Loss Ratio for the period January 1, 2022 to December 31, 2022 and that the prior issued report submitted on May 1, 2024 should not be relied upon.

We are re-issuing the final report to explicitly update the "Adjustment Amounts" column for Lines 30 and 31 on page 5 to accurately reflect the adjustment amounts.

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

Kind Regards,

Myers and Stauffer LC

The background of the cover is a blurred photograph of a medical professional in a white coat, possibly a nurse or doctor, with their hands clasped. 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 particle, a stethoscope, and a group of three people. A network of thin green lines connects some of these icons, suggesting a medical or healthcare system. The right side of the cover features a dark grey diagonal band where the text is located.

DENTAQUEST USA
INSURANCE COMPANY, INC.
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 DentaQuest USA Insurance Company, Inc. (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 does not exceed the Centers for Medicare & Medicaid Services (CMS) requirement of 85 percent for the Expansion population and exceeds the Centers for Medicare & Medicaid Services (CMS) requirement of 85 percent for the Non-Expansion population 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
April 29, 2024



DENTAQUEST
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	\$ 5,636,644	\$ 3,835,381	\$ 9,472,025
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ -	\$ -	\$ -
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ -	\$ -	\$ -
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 3,827,502	\$ (3,827,502)	\$ -
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ -	\$ -	\$ -
5	Exclusions:			
5a	Non-Claims Costs	\$ -	\$ -	\$ -
5b	Prior year MLR rebates paid to LDH	\$ -	\$ -	\$ -
5c	Payments delegated vendors exceeding amount paid to providers	\$ -	\$ -	\$ -
5d	Spread pricing amounts paid to PBM	\$ -	\$ -	\$ -
5e	Reinsurance premiums exceeding reinsurance recoveries	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 9,464,146	\$ 7,879	\$ 9,472,025
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI administrative expenses	\$ 17,872	\$ (17,872)	\$ -
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ 117,940	\$ (81,786)	\$ 36,154
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 9,599,958	\$ (99,658)	\$ 9,500,300
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	\$ 9,599,958	\$ (91,779)	\$ 9,508,179
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 3,159,970	\$ -	\$ 3,159,970
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)	\$ -	\$ -	\$ -
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ -	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 3,159,970	\$ -	\$ 3,159,970
Denominator				
21	Premium Revenue	\$ 14,029,432	\$ (841,455)	\$ 13,187,977
	Revenue Adjustments			
22	Less: Premium tax component of reported revenue	\$ 315,662	\$ (18,933)	\$ 296,729
23	Less: Other taxes and licensing and regulatory fees	\$ 296,123	\$ (241,680)	\$ 54,443
24	Net Annual MLR Revenue	\$ 13,417,647	\$ (1,102,068)	\$ 12,315,579
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 32 below	\$ -	\$ -	\$ -
27	Total Adjusted MLR Denominator	\$ 13,417,647	\$ (1,102,068)	\$ 12,315,579



DENTAQUEST
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
MLR Calculation				
28	MLR Percentage Achieved	71.5%	5.7%	77.2%
29	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
30	Percentage Below 85% Requirement	13.5%	-5.7%	7.8%
31	Dollar Amount of Rebate Requirement	\$ 1,811,382	\$ (850,767)	\$ 960,615
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	4,499,944	-	4,499,944
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	\$ -	\$ -	\$ -

**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.*



DENTAQUEST
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	\$ 64,776,031	\$ 32,721,967	\$ 97,497,998
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ -	\$ -	\$ -
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ -	\$ -	\$ -
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 32,729,841	\$ (32,729,841)	\$ -
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ -	\$ -	\$ -
5	Exclusions:			
5a	Non-Claims Costs	\$ -	\$ -	\$ -
5b	Prior year MLR rebates paid to LDH	\$ -	\$ -	\$ -
5c	Payments delegated vendors exceeding amount paid to providers	\$ -	\$ -	\$ -
5d	Spread pricing amounts paid to PBM	\$ -	\$ -	\$ -
5e	Reinsurance premiums exceeding reinsurance recoveries	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 97,505,872	\$ (7,874)	\$ 97,497,998
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI administrative expenses	\$ 26,372	\$ (26,372)	\$ -
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ 174,034	\$ (120,684)	\$ 53,350
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 97,706,278	\$ (147,056)	\$ 97,559,222
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	\$ 97,706,278	\$ (154,930)	\$ 97,551,348
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 4,662,872	\$ -	\$ 4,662,872
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)	\$ -	\$ -	\$ -
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ -	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 4,662,872	\$ -	\$ 4,662,872
Denominator				
21	Premium Revenue	\$ 117,197,635	\$ 1,146,823	\$ 118,344,458
	Revenue Adjustments			
22	Less: Premium tax component of reported revenue	\$ 2,636,948	\$ 25,577	\$ 2,662,525
23	Less: Other taxes and licensing and regulatory fees	\$ 3,145,929	\$ (308,606)	\$ 2,837,323
24	Net Annual MLR Revenue	\$ 111,414,758	\$ 863,794	\$ 112,278,552
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 32 below	\$ -	\$ -	\$ -
27	Total Adjusted MLR Denominator	\$ 111,414,758	\$ 863,794	\$ 112,278,552



DENTAQUEST
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
MLR Calculation				
28	MLR Percentage Achieved	87.7%	-0.8%	86.9%
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	6,640,145	-	6,640,145
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	\$ -	\$ -	\$ -

**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.*



Schedule of Adjustments and Comments for the Calendar Year Ended December 31, 2022

During our examination, we identified the following adjustments.

Adjustment #1 – To adjust provider incentives to the verified amounts.

The health plan reported provider incentives of \$3,827,502 for the Expansion population and \$32,729,841 for the Non-Expansion population. The plan's documentation supported provider incentives of \$3,835,381 for the Expansion population and \$32,721,967 for the Non-Expansion population. The variance will be removed from line 3a as shown below. Based on further review, Myers and Stauffer determined that the as-filed provider incentive amounts were actually Full Medicaid Payments (FMP) and should be reported in incurred claims. See Adjustment #2 below for the reclassification to incurred claims. The MLR numerator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(e).

Proposed Adjustment – Expansion		
Line #	Line Description	Amount
3a	Incentive and bonus payments made to providers	\$7,879

Proposed Adjustment – Non-Expansion		
Line #	Line Description	Amount
3a	Incentive and bonus payments made to providers	(\$7,874)

Adjustment #2 – To reclassify reported Full Medicaid Payments (FMP) to incurred claims.

Myers and Stauffer determined the as-filed provider incentive amounts were actually Full Medicaid Payments (FMP), which should be reported in incurred claims. The verified amounts from Adjustment #1 of \$3,835,381 for Expansion and \$32,721,967 for Non-Expansion, were reclassified from line 3a to line 1 as shown below. The MLR numerator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(e).

Proposed Adjustment - Expansion		
Line #	Line Description	Amount
1	Total Incurred Claims	\$3,835,381
3a	Incentive and bonus payments made to providers	(\$3,835,381)



Proposed Adjustment – Non-Expansion		
Line #	Line Description	Amount
1	Total Incurred Claims	\$32,721,967
3a	Incentive and bonus payments made to providers	(\$32,721,967)

Adjustment #3 – To adjust Health Care Quality Improvement (HCQI) and Health Information Technology (HIT) expenses to the verified support.

The health plan reported HCQI expenses of \$17,872 for the Expansion population and \$26,372 for the Non-Expansion population. They also reported HIT expenses of \$117,940 for Expansion and \$174,034 for Non-Expansion. The supporting documentation provided by the plan was not sufficient to determine if the reported items were allowable; therefore, Myers and Stauffer removed non-allowable HCQI and HIT expenses. The variance between the as-filed amount and the verified amount is shown below. The MLR numerator reporting requirements are addressed in the Healthy Louisiana’s MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(e).

Proposed Adjustment - Expansion		
Line #	Line Description	Amount
8	HCQI administrative expenses	(\$17,872)
10	HIT administrative expenses	(\$81,786)

Proposed Adjustment – Non-Expansion		
Line #	Line Description	Amount
8	HCQI administrative expenses	(\$26,372)
10	HIT administrative expenses	(\$120,684)

Adjustment #4 – To adjust capitation revenue to the verified amounts.

The health plan reported premium revenue of \$14,029,432 for the Expansion population and \$117,197,635 for the Non-Expansion population. The state’s capitation data supported premium revenue of \$13,187,977 for the Expansion population and \$118,344,458 for the Non-Expansion population. The variance between the reported amounts and the state’s data was an adjustment to line 21 as shown below. The MLR denominator reporting requirements are addressed in the Healthy Louisiana’s MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(f).

Proposed Adjustment - Expansion		
Line #	Line Description	Amount
21	Premium Revenue	(\$841,455)



SCHEDULE OF ADJUSTMENTS AND COMMENTS

Proposed Adjustment – Non-Expansion		
Line #	Line Description	Amount
21	Premium Revenue	\$1,146,823

Adjustment #5 – To adjust premium tax to the verified amounts.

The health plan reported premium taxes of \$315,662 for the Expansion population and \$2,636,948 for the Non-Expansion population. The state's revenue data supported premium taxes of \$296,729 for the Expansion population and \$2,662,750 for the Non-Expansion population. The variance between the reported amounts and the state's data was an adjustment to line 22 as shown below. The MLR denominator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(f).

Proposed Adjustment - Expansion		
Line #	Line Description	Amount
22	Premium tax component of reported revenue	(\$18,933)

Proposed Adjustment – Non-Expansion		
Line #	Line Description	Amount
22	Premium tax component of reported revenue	\$25,577

Adjustment #6 – To adjust income tax to the verified amounts.

The health plan reported income taxes of \$296,123 for the Expansion population and \$3,145,929 for the Non-Expansion population. Based on the supporting documentation provided by the plan and taking into account the adjustments made during the examination, Myers and Stauffer determined that income tax of \$54,443 for the Expansion population and \$2,837,323 for the Non-Expansion population should have been reported. The income tax amounts were an adjustment to line 23 as shown below. The MLR denominator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(f).

Proposed Adjustment - Expansion		
Line #	Line Description	Amount
23	Other taxes and licensing and regulatory fees	(\$241,680)

Proposed Adjustment – Non-Expansion		
Line #	Line Description	Amount
23	Other taxes and licensing and regulatory fees	(\$308,606)