MEDMAGELLAN COMPLETE CARE OF LOUISIANA, 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





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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 Magellan Complete Care of Louisiana, Inc. (health plan) Managed Care Organization 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 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 30, 2024



ADJUSTED MEDICAL LOSS RATIO

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

Line #	Line Description	Reporte	d Amounts	Adjustment Amounts	Adju	isted Amounts
umerato	or and the second s					
1	Total Incurred Claims	\$	41,797,344	\$-	\$	41,797,344
	Adjustments to Incurred Claims					
2	Deductions:					
2a	Prompt pay discounts	\$	-	\$ -	\$	-
2b	Overpayment recoveries received from providers	\$	-	\$-	\$	-
3.	Inclusions:					
3a	Incentive and bonus payments made to providers	\$	-	\$ -	\$	-
3b	Fraud reduction expenses	\$	-	\$ -	\$	-
4	Exclusions:					
4a	Non-Claims Costs	\$	-	\$ -	\$	-
4b	Prior year MLR rebates paid to LDH	\$	-	\$ -	\$	-
4c	Payments to delegated vendors exceeding amount paid to providers	\$	-	\$ -	\$	-
4d	Reinsurance premiums exceeding reinsurance recoveries	\$	-	\$ -	\$	-
5	Other Adjustments (describe in Schedule R)	\$	-	\$ -	\$	-
6	Adjusted Incurred Claims:	\$	41,797,344	\$-	\$	41,797,344
7	Health Care Quality Improvement (HCQI) Expenses (describe in Schedule R)					
7a	HCQI administrative expenses	\$	2,650,292	\$ 16,615	\$	2,666,907
7b	Exclusions to HCQI expenses	\$	-	\$ -	\$	-
8	Health Information Technology (HIT) Expenses (describe in Schedule R)					
8a	HIT administrative expenses	\$	-	\$ -	\$	-
8b	Exclusions to HIT expenses	\$	-	\$ -	\$	-
9	External Quality Review (EQR) related expenses (describe in Schedule R)	\$	-	\$ -	\$	-
10	Adjusted HCQI, HITand EQR expenses	\$	2,650,292	\$ 16,615	\$	2,666,907
11	Total Adjusted MLR Numerator	\$	44,447,636	\$ 16,615	\$	44,464,251
	Non-Claims Cost (For Reporting Purposes Only. Not included in Numerator)					
12	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)*	\$	9,441,847	\$ -	\$	9,441,847
13	Program Integrity Activities [42 CFR §438.608(a)(1) through (5), (7), (8) and (b)]. (Tab S)	\$	555,733	\$ -	\$	555,733
14	Adjustments to Non-Claims Cost including amounts removed in line 9 and excluding any related party profit	\$	-	\$ -	\$	-
15	Total Adjusted Non-Claim Cost	\$	9,997,580	\$-	\$	9,997,580
enomina	ator					
16	Total YTD Coordinated System of Care Premium Revenue	\$	65,663,568	\$-	\$	65,663,568
	Revenue Adjustments					
17	Less: Health Insurance Provider Fee (HIPF)	\$	-	\$ -	\$	-
18	Less: Premium tax component of reported revenue	\$	3,611,496	\$ -	\$	3,611,496
19	Less: Other taxes and licensing and regulatory fees	\$	264,408	\$ (70,927)	\$	193,481
20	Total Adjusted MLR Denominator	\$	61,787,664	\$ 70,927	\$	61,858,591



MAGELLAN COMPLETE CARE OF LOUISIANA, INC. ADJUSTED MEDICAL LOSS RATIO

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					
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts		
MLR Calculation						
21	MLR percentage achieved	71.9%	0.0%	71.9%		
22	MLR percentage requirement for rebate calculation	85.0%	0.0%	85.0%		
23	Percentage below 85% requirement	13.1%	0.0%	13.1%		
24	Dollar amount of rebate requirement**	\$ 8,071,878	\$ 31,597	\$ 8,103,475		

Credibility Adjustment Applied					
25	MLR Percentage Achieved	71.9%	0.0%	71.9%	
26	Credibility Adjustment	3.8%	0.0%	3.8%	
27	Adjusted MLR Percentage Achieved	75.7%	0.0%	75.7%	
28	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%	
29	Percentage Below 85% Requirement	9.3%	0.0%	9.3%	
30	Dollar Amount of Rebate Requirement	\$ 5,719,483	\$ 33,366	\$ 5,752,849	
31	MLR Member Months	28,206	-	28,206	

*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.

**Percentages and amounts may not appear to foot and crossfoot due to rounding.



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 Health Care Quality Improvement (HCQI) expenses to the verified amount.

The health plan provided support for the calculation of Health Care Quality Improvement (HCQI) expenses on line 7a of the MLR, which included support for the job descriptions and summaries utilized in HCQI activities for the period under review. Based on the supporting documentation, it was determined that an adjustment to the verified support was required. The total variance between the as-filed amount and the verified amount is noted below. The MLR numerator reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e).

Proposed Adjustment				
Line #	Line Description	Amount		
7a	HCQI administrative expenses	\$16,615		

Adjustment #2 – To adjust income tax to the verified amount.

The health plan overstated their federal income taxes in the other taxes and regulatory fees on line 19 of the MLR. The taxes related to investments were included in the reported amount. We have made an adjustment to remove \$70,927 in taxes related to investment revenue from line 19. The MLR denominator reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(f).

Proposed Adjustment				
Line #	Line Description	Amount		
19	Other taxes and licensing and regulatory fees	(\$70,927)		