

June 20, 2025

Via Electronic Mail

Louisiana Department of Health Teresa Bravo, Section Chief, Medicaid Managed Care Finance 628 N Fourth St. P.O. Box 91030 Baton Rouge, Louisiana 70821-9030

Re: Adjusted Medical Loss Ratio (Non-Expansion and Expansion) examination report for AmeriHealth Caritas Louisiana, Inc. for the period of January 1, 2023 through June 30, 2023

This letter is to inform you that Myers and Stauffer LC has completed the examination of the Adjusted Medical Loss Ratio (Non-Expansion and Expansion) for AmeriHealth Caritas Louisiana, Inc. (health plan) for the period of January 1, 2023 through June 30, 2023. As a courtesy to the Louisiana Department of Health (LDH) and other readers, the health plan's management response letter is included, 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 response letter.

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

Kind Regards,

Myers and Stauffer LC

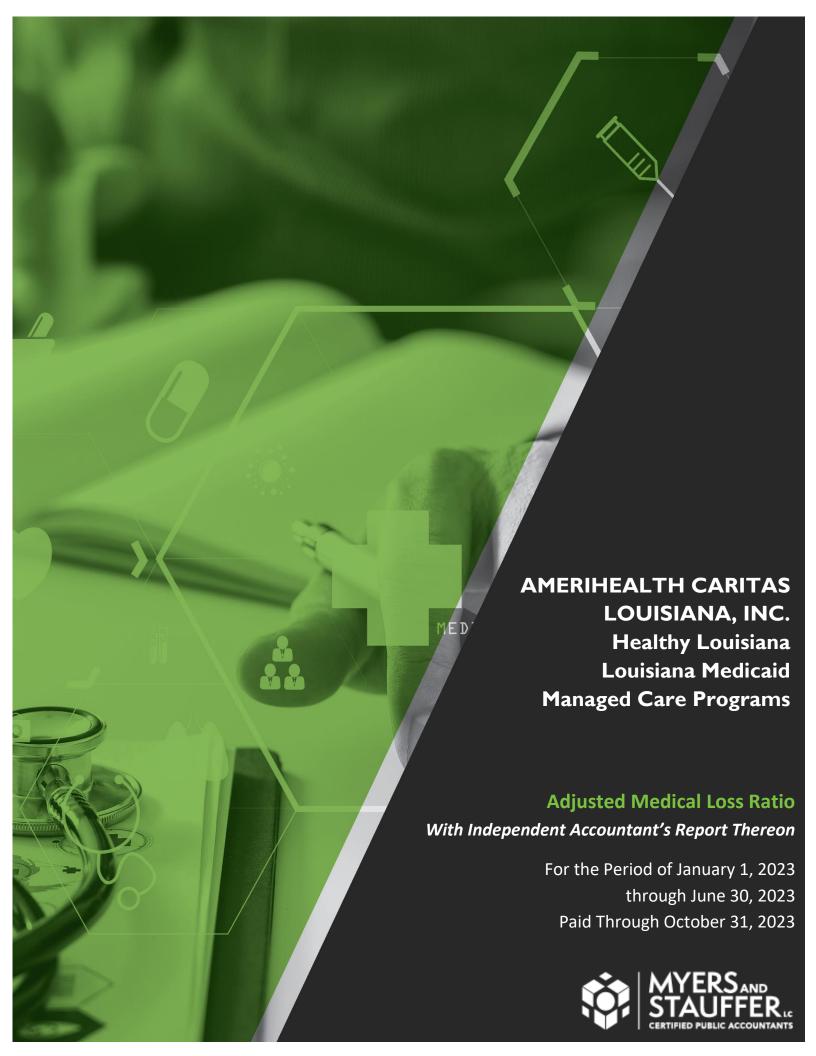




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State of Louisiana Louisiana Department of Health Baton Rouge, Louisiana

Independent Accountant's Report

We have examined the accompanying Adjusted Medical Loss Ratios of AmeriHealth Caritas Louisiana, Inc. (health plan) for their Medicaid Non-Expansion and Expansion populations for the period of January 1, 2023 through June 30, 2023. The health plan's management is responsible for presenting the Medical Loss Ratios in accordance with the criteria set forth in 42 Code of Federal Regulations (CFR) § 438.8 and other applicable federal guidance (criteria). This criteria was used to prepare the Adjusted Medical Loss Ratios. Our responsibility is to express an opinion on the Adjusted Medical Loss Ratios 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 Ratios are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted Medical Loss Ratios. 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 Ratios, 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 Ratios were prepared from information contained in the Medical Loss Ratios 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 Adjusted Medical Loss Ratios are presented in accordance with the criteria, in all material respects, and the Adjusted Medical Loss Ratios meet or exceed the Centers for Medicare & Medicaid Services (CMS) and state requirement of 85 percent for the Medicaid Non-Expansion and Expansion populations for the period of January 1, 2023 through June 30, 2023.

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 June 18, 2025



Adjusted Medical Loss Ratio for the Period of January 1, 2023 through June 30, 2023 Paid Through October 31, 2023

Adjusted Medical Loss Ratio for the Period of January 1, 2023 through June 30, 2023 Paid Through October 31, 2023 Non-Expansion Population						
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts		
Numerato	r					
1	Total Incurred Claims	\$ 282,732,340	\$ -	\$ 282,732,340		
	Adjustments to Incurred Claims					
2	Deductions:					
2a	Prescription drug rebates	\$ 193,895	\$ -	\$ 193,895		
2b	Prompt pay discounts	\$ -	\$ -	\$ -		
2c	Overpayment recoveries received from providers	\$ 1,398,000	\$ -	\$ 1,398,000		
3	Inclusions:					
3a	Incentive and bonus payments made to providers	\$ 9,171,683	\$ (6,921,178)	\$ 2,250,505		
3b	Fraud reduction expenses	\$ -	\$ -	\$ -		
3c	State Directed Payments (SDPs distributed to providers)	\$ 82,396,733	\$ -	\$ 82,396,733		
4	Optional Inclusion: Value-Added Services	\$ 351,759	\$ -	\$ 351,759		
5	Exclusions:		<u> </u>			
5a	Non-Claims Costs	\$ 640,888	\$ -	\$ 640,888		
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	\$ 372,419,732	\$ (6,921,178)	\$ 365,498,554		
	Health Care Quality Improvement (HCQI) Expenses	* 0.2,.20,.02	(5/5==/=:5/	7 200, 100,000		
8	HCQI admin expenses	\$ 4,601,826	\$ -	\$ 4,601,826		
9	Exclusions to HCQI	\$ -	\$ -	\$ -		
	Health Information Technology (HIT) Expenses	Y	· ·	<u> </u>		
10	HIT administrative expenses	\$ 1,389,519	\$ -	\$ 1,389,519		
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -		
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -		
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 378,411,076	\$ (6,921,178)	'		
14	Less: Adjustment for 50% or more of Medical expenses attributed to new	\$ -	\$ -	\$ -		
15	Add: Prior Year New Enrollee Medical Expenditures deferred to current year	\$ -	\$ -	\$ -		
10	from line 33 below	\$ 378,411,076	\$ (6,921,178)	ć 271 400 000		
16	Total Adjusted MLR Numerator	\$ 378,411,076	\$ (6,921,178)	\$ 371,489,898		
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 29,755,885	\$ -	\$ 29,755,885		
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)	\$ 579,114	\$ -	\$ 579,114		
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ 640,888	\$ -	\$ 640,888		
20	Total Adjusted Non-Claims Cost	\$ 30,975,887	\$ -	\$ 30,975,887		

Adjusted Medical Loss Ratio for the Period of January 1, 2023 through June 30, 2023 Paid Through October 31, 2023

	Non-Expansion Po	oulation	1			
ine #	Line Description	Repo	rted Amounts	Adjustment Amounts	Adj	usted Amounts
nomina	ator					
21	Healthy Louisiana Premium Revenue	\$	347,126,413	\$ (7,135,349)	\$	339,991,0
22	Directed Payments	\$	87,192,311	\$ -	\$	87,192,3
	Revenue Adjustments					
23	Less: Premium tax component of reported revenue	\$	23,495,086	\$ -	\$	23,495,0
24	Less: Other taxes and licensing and regulatory fees	\$	130,985	\$ -	\$	130,9
25	Net Annual MLR Revenue	\$	410,692,654	\$ (7,135,349)	\$	403,557,3
26	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$	-	\$ -	\$	
27	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	\$	-	\$ -	\$	
28	Total Adjusted MLR Denominator	\$	410,692,654	\$ (7,135,349)	\$	403,557,3
D 0 - 1 -	he					
	All D Descented Ashioved (Unadicated MLD)		02.10/	0.09/		02
29	MLR Percentage Achieved (Unadjusted MLR)		92.1%	0.0%		92
30	Credibility Adjustment Adjusted MLR			0.00/		000
31			92.1% 85.0%	0.0%		92
32	MLR Percentage Requirement for Rebate Calculation		0.0%	0.0%		85
34	Calculated Percentage for Remittance Purposes Dollar Amount of Rebate Requirement	\$	- 0.0%	\$ -	Ś	С
34	Donal Amount of Nebate Nequirement	۲			٠,	
oncilia	ation of Prior Year New Enrollee Capitation Exclusion					
35	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$	-	\$ -	\$	
36	Less: Prior year incurred claims for excluded New Enrollees	\$	-	\$ -	\$	
37	Total Net Adjustment for New Enrollees from prior years	\$	-	\$ -	\$	

^{*}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.



Adjusted Medical Loss Ratio for the Period of January 1, 2023 through June 30, 2023 Paid Through October 31, 2023

Adjusted Medical Loss Ratio for the Period of January 1, 2023 through June 30, 2023 Paid Through October 31, 2023 Expansion Population					
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts	
Numerato	r	ı			
1	Total Incurred Claims	\$ 272,481,743	\$ -	\$ 272,481,743	
	Adjustments to Incurred Claims				
2	Deductions:				
2a	Prescription drug rebates	\$ 123,464	\$ -	\$ 123,464	
2b	Prompt pay discounts	\$ -	\$ -	\$ -	
2c	Overpayment recoveries received from providers	\$ 873,808	\$ -	\$ 873,808	
3	Inclusions:		-		
3a	Incentive and bonus payments made to providers	\$ 8,168,926	\$ (6,762,448)	\$ 1,406,478	
3b	Fraud reduction expenses	\$ -	\$ -	\$ -	
3c	State Directed Payments (SDPs distributed to providers)	\$ 80,706,348	\$ -	\$ 80,706,348	
4	Optional Inclusion: Value-Added Services	\$ 927,769	\$ -	\$ 927,769	
5	Exclusions:		-		
5a	Non-Claims Costs	\$ 400,581	\$ -	\$ 400,581	
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	\$ 360,886,933	\$ (6,762,448)	\$ 354,124,485	
	Health Care Quality Improvement (HCQI) Expenses	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, (-, - , -,	, ,,,,	
8	HCQI admin expenses	\$ 2,876,330	\$ -	\$ 2,876,330	
9	Exclusions to HCQI	\$ -	\$ -	\$ -	
	Health Information Technology (HIT) Expenses	T		<u> </u>	
10	HIT administrative expenses	\$ 868,506	\$ -	\$ 868,506	
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -	
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -	
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 364,631,770	\$ (6,762,448)	\$ 357,869,322	
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	\$ 364,631,770	\$ (6,762,448)	\$ 357,869,322	
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*				
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 18,598,652	\$ -	\$ 18,598,652	
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)	\$ 361,970	\$ -	\$ 361,970	
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ 400,581	\$ -	\$ 400,581	
20	Total Adjusted Non-Claims Cost	\$ 19,361,204	\$ -	\$ 19,361,204	

MLR Member Months

Adjusted Medical Loss Ratio for the Period of January 1, 2023 through June 30, 2023 Paid Through October 31, 2023

	Adjusted Medical Loss Ratio for the Period of January 1, 2023 to		Paid Through Octobe	r 31, 2023
	Expansion Popul	ation		
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Denomina	ator			
21	Healthy Louisiana Premium Revenue	\$ 341,606,928	\$ (6,971,481)	\$ 334,635,447
22	Directed Payments	\$ 85,403,543	\$ -	\$ 85,403,543
	Revenue Adjustments			
23	Less: Premium tax component of reported revenue	\$ 23,102,144	\$ -	\$ 23,102,144
24	Less: Other taxes and licensing and regulatory fees	\$ 1,741,051	\$ -	\$ 1,741,051
25	Net Annual MLR Revenue	\$ 402,167,275	\$ (6,971,481)	\$ 395,195,794
26	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$ -	\$ -	\$ -
27	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	\$ -	\$ -	\$ -
28	Total Adjusted MLR Denominator	\$ 402,167,275	\$ (6,971,481)	\$ 395,195,794
MLR Calcu	ulation			
29	MLR Percentage Achieved (Unadjusted MLR)	90.7%	-0.1%	90.6%
30	Credibility Adjustment	0.0%	0.0%	0.0%
31	Adjusted MLR	90.7%	-0.1%	90.6%
32	MLR Percentage Requirement for Rebate Calculation	85.0%		85.0%
33	Calculated Percentage for Remittance Purposes	0.0%	0.0%	0.0%
34	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -
Reconcilia	ation of Prior Year New Enrollee Capitation Exclusion			
35	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$ -	\$ -	\$ -
36	Less: Prior year incurred claims for excluded New Enrollees	\$ -	\$ -	\$ -
37	Total Net Adjustment for New Enrollees from prior years	\$ -	\$ -	\$ -

^{*}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.

546,961 \$

546,961

Schedule of Adjustments

During the course of the examination, we identified the following adjustment.

Adjustment #1 – To remove contracted incentive program payments and expenses qualifying under 42 CFR § 438.6(b)(2)

The health plan reported Louisiana's Managed Care Incentive Payment (MCIP) expenses and revenues in the numerator and denominator, respectively, within the health plan's MLR filing. This contracted incentive program qualifies under 42 CFR § 438.6(b)(2) and both the incentive revenue received by the health plan and any health plan distributions to its providers associated with this program are excludable from the MLR calculation. Incentive program payments qualifying under 42 CFR § 438.6(b)(2) are not listed as includable for the MLR calculation and this exclusion treatment is further confirmed within the MLR final rule commentary. Therefore, adjustments were proposed to remove the as-filed MLR expenses and revenues for the Non-Expansion and Expansion populations related to this incentive program. The MLR numerator and denominator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR §§ 438.8(e) and 438.8(f).

Proposed Adjustment – Non-Expansion					
Line #	Line Description	Amount			
21	Healthy Louisiana Premium Revenue	(\$7,135,349)			
3a	Incentive and bonus payments made to providers	(\$6,921,178)			

Proposed Adjustment – Expansion					
Line #	Line Description	Amount			
21	Healthy Louisiana Premium Revenue	(\$6,971,481)			
3a	Incentive and bonus payments made to providers	(\$6,762,448)			

AmeriHealth Caritas Louisiana, Inc. Management Response

AmeriHealth Caritas Louisiana

P.O. Box 83580 Baton Rouge, LA 70884



To: Daniel Carman, CPA, CFE, PMP

Myers and Stauffer

From: Kyle Viator

Market President, AmeriHealth Caritas Louisiana

Date: June 10, 2025

Subject: Management Response to Medical Loss Ratio Adjustment #1

Adjustment #1 – To remove contracted incentive program payments and expenses qualifying under 42 CFR § 438.6(b)(2)

The health plan reported Louisiana's Managed Care Incentive Payment (MCIP) expenses and revenues in the numerator and denominator, respectively, within the health plan's MLR filing. This contracted incentive program qualifies under 42 CFR § 438.6(b)(2) and both the incentive revenue received by the health plan and any health plan distributions to its providers associated with this program are excludable from the MLR calculation. Incentive program payments qualifying under 42 CFR § 438.6(b)(2) are not listed as includable for the MLR calculation and this exclusion treatment is further confirmed within the MLR final rule commentary. Therefore, adjustments were proposed to remove the as-filed MLR expenses and revenues for the Non-Expansion and Expansion populations related to this incentive program. The MLR numerator and denominator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR §§ 438.8(e) and

Management Response: AmeriHealth Caritas Louisiana reported incentive program payments in accordance with the instructions established by LDH for the June – December 2023 MLR report. As noted in the instructions MCIP payments should be included for the MLR calculation (see below). While the CMS guidance has been updated and clarified, AmeriHealth Caritas Louisiana followed the direction of LDH and included the reported incentive program payment in the June – December 2023 MLR report.

Premium Revenue

Each MCE must report to LDH the premium revenue received from LDH for each MLR reporting period, prior to reinsurance. Premium revenue means all monies paid by LDH to the MCE for providing core benefits and services as defined in the terms of the contract including Medicaid Managed Care Incentive Program (MCIP) revenues earned and State Directed Payments (SDPs). This should include any retroactive payments received during the runout period for dates of service in the MLR reporting period and should reflect a proper matching with the expenses reported. Premium revenue includes all capitation and maternity kick payments with deductions (as calculated by the MLR reporting template) for premium tax and all other applicable taxes/fees. The MCE's Federal, State, and local taxes and licensing and regulatory fees (as defined in [42 CFR 438.8(f)(3)]) may be deducted from premium revenue on the applicable line in the MLR reporting template.



