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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 Humana Health Benefit Plan of 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 for the period of January 1, 2023 through June 30, 2023. Refer to the enclosed Report Disclosure for additional information regarding the calculations of the Adjusted Medical Loss Ratios.

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 July 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	or ·				
1	Total Incurred Claims	\$ 59,672,926	\$ 13,983,629	\$ 73,656,555	
	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	\$ 26,201	\$ -	\$ 26,201	
3b	Fraud reduction expenses	\$ -	\$ -	\$ -	
3c	State Directed Payments (SDPs distributed to providers)	\$ 16,478,831	\$ (16,478,831)		
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	\$ 76,177,958	\$ (2,495,202)	,	
	Health Care Quality Improvement (HCQI) Expenses	70,177,550	(2,433,202)	73,002,730	
8	HCQI admin expenses	\$ 6,164,595	\$ -	\$ 6,164,595	
9	Exclusions to HCQI	\$ 0,104,333	\$ -	\$ -	
	Health Information Technology (HIT) Expenses	7	7	Y	
10	HIT administrative expenses	\$ 411,277	\$ -	\$ 411,277	
11	Exclusions to HIT expenses	\$ 411,277	\$ -	\$ 411,277	
12	External Quality Review (EQR) related expenses	\$ 60,000	\$ -	\$ 60,000	
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 82,813,830	\$ (2,495,202)	· · · · · · · · · · · · · · · · · · ·	
	Less: Adjustment for 50% or more of Medical expenses attributed to new				
14	enrollees	\$ 82,813,830	\$ (2,495,202)	\$ 80,318,628	
15	Add: Prior Year New Enrollee Medical Expenditures deferred to current year	\$ -	\$ -	\$ -	
15	from line 33 below	\$ -	\$ -	\$ -	
16	Total Adjusted MLR Numerator	\$ -	\$ -	\$ -	
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*				
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 17,769,741	\$ -	\$ 17,769,741	
	Program Integrity Activities [42 CFR 438.608(a)(1) through (5), (7), (8) and		_		
18	(b)]. Must reconcile to the detail amounts on the Program Integrity Cost tab)	\$ 1,529,066	-	\$ 1,529,066	
19	Adjustments to Non-Claims including amounts removed in the line 5	\$ -	\$ -	\$ -	
20	exclusions. (Excluding any related party profit)	ć 10.200.000	ė	ć 10.200.000	
20	Total Adjusted Non-Claims Cost	\$ 19,298,808	\$ -	\$ 19,298,	



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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 tl Non-Expansion Po			Paid Through Octo	be	r 31, 2023
Line #	Line Description	Repo	rted Amounts	Adjustment Amoun	ts	Adjusted Amounts
enomina	ator					
21	Healthy Louisiana Premium Revenue	\$	84,502,736	\$ 17,526,1	30	\$ 102,028,866
22	Directed Payments	\$	16,478,831	\$ (16,478,8	31)	\$ ((
	Revenue Adjustments					
23	Less: Premium tax component of reported revenue	\$	5,504,289	\$ (191,3	87)	\$ 5,312,902
24	Less: Other taxes and licensing and regulatory fees	\$	-	\$ -		\$ -
25	Net Annual MLR Revenue	\$	95,477,277	\$ 1,238,6	86	\$ 96,715,963
26	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$	95,477,277	\$ 1,238,6	86	\$ 96,715,963
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	\$	-	\$ -		\$ -
/ILR Calcı 29a	ulation (For Reporting Purposes)** MLR Percentage Achieved (For Reporting Purposes)		86.7%	-3.	7%	83.0
29a 30a	Credibility Adjustment (For Reporting Purposes)		0.0%		7% 0%	0.0
31a	Adjusted MLR (For Reporting Purposes)		86.7%		0% 7%	83.0
	ulation After Deferrals (For Rebate Remittance Purposes)**		80.7/0	-5.	7 /0	65.0
29b	MLR Percentage Achieved (For Rebate Remittance Purposes)		0.0%	0	0%	0.0
30b	Credibility Adjustment (For Rebate Remittance Purposes)		0.0%		0%	0.0
31b	Adjusted MLR (For Rebate Remittance Purposes)		0.0%		0%	0.0
32	MLR Percentage Requirement for Rebate Calculation		85.0%			85.0
33	Calculated Percentage for Remittance Purposes **		85.0%	0.	0%	85.0
34	Dollar Amount of Rebate Requirement	\$	-	\$ -	-	\$ -
	Demail randomic of respect respectively	7		Ψ		-
econcilia	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.

506,447

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^{**}Refer to the Report Disclosure enclosed in this report for information on the MLR Calculation (For Reporting Purposes) and MLR Calculation (For Rebate Remittance Purposes).



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 Amour	nts	Adjustment Amounts	Adjusted Amounts
Numerato	·				
1	Total Incurred Claims	\$ 56,816	,296	\$ 16,478,560	\$ 73,294,856
	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	\$ 17	,289	\$ -	\$ 17,289
3b	Fraud reduction expenses	\$	-	\$ -	\$ -
3c	State Directed Payments (SDPs distributed to providers)	\$ 16,253	,298	\$ (16,253,298)	\$ 0
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	\$ 73,086	.883	\$ 225,262	\$ 73,312,145
	Health Care Quality Improvement (HCQI) Expenses	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,		-,- , -
8	HCQI admin expenses	\$ 4,067	.596	\$ -	\$ 4,067,596
9	Exclusions to HCQI	\$	-	\$ -	\$ -
	Health Information Technology (HIT) Expenses	7		*	<u> </u>
10	HIT administrative expenses	\$ 271	,373	\$ -	\$ 271,373
11	Exclusions to HIT expenses	\$	-	\$ -	\$ -
12	External Quality Review (EQR) related expenses		,000	\$ -	\$ 60,000
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 77,485	,	\$ 225,262	\$ 77,711,114
14	Less: Adjustment for 50% or more of Medical expenses attributed to new enrollees	\$ 77,485		\$ 225,262	\$ 77,711,114
15	Add: Prior Year New Enrollee Medical Expenditures deferred to current year from line 33 below	\$	-	\$ -	\$ -
16	Total Adjusted MLR Numerator	\$	-	\$ -	\$ -
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*	•		•	, ,
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 11,725	,041	\$ -	\$ 11,725,041
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)	\$ 1,008	,927	\$ -	\$ 1,008,927
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$	-	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 12,733	.967	\$ -	\$ 12,733,967



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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 th Expansion Popul		Julie 30, 2023	raid Tillough Octobe	1 31, 2023
Line #	Line Description	Repo	orted Amounts	Adjustment Amounts	Adjusted Amounts
enomina	ator				
21	Healthy Louisiana Premium Revenue	\$	81,927,273	\$ 14,670,958	\$ 96,598,231
22	Directed Payments	\$	16,253,298	\$ (16,253,298)	\$ 0
	Revenue Adjustments				
23	Less: Premium tax component of reported revenue	\$	5,341,051	\$ 270,537	\$ 5,611,588
24	Less: Other taxes and licensing and regulatory fees	\$	-	\$ -	\$ -
25	Net Annual MLR Revenue	\$	92,839,521	\$ (1,852,877)	\$ 90,986,644
26	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$	92,839,521	\$ (1,852,877)	\$ 90,986,644
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	\$	-	\$ -	\$ -
LR Calcu 29a	ulation (For Reporting Purposes)** MLR Percentage Achieved (For Reporting Purposes)		83.5%	1.9%	85.4
30a	Credibility Adjustment (For Reporting Purposes)		1.1%	-1.1%	0.09
31a	Adjusted MLR (For Reporting Purposes)		84.6%	0.8%	85.49
LR Calcu	ulation After Deferrals (For Rebate Remittance Purposes)**				
29b	MLR Percentage Achieved (For Rebate Remittance Purposes)		0.0%	0.0%	0.09
30b	Credibility Adjustment (For Rebate Remittance Purposes)		1.1%	-1.1%	0.09
31b	Adjusted MLR (For Rebate Remittance Purposes)		1.1%	-1.1%	0.09
32	MLR Percentage Requirement for Rebate Calculation		85.0%		85.09
33	Calculated Percentage for Remittance Purposes **		83.9%	1.1%	85.0%
34	Dollar Amount of Rebate Requirement	\$	-	\$ -	\$ -
	· · · · · · · · · · · · · · · · · · ·				
concilia	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.

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^{**}Refer to the Report Disclosure enclosed in this report for information on the MLR Calculation (For Reporting Purposes) and MLR Calculation (For Rebate Remittance Purposes).



Report Disclosure

During the course of the engagement, we identified the following report disclosure.

Disclosure #1 – Deferral of expenses and revenues attributed to new enrollees and the impact on the MLR rebate calculation

The Louisiana Department of Health (LDH) uses the Medical Loss Ratio report submitted by the health plan to calculate Medicaid MLR rebates. For Medicaid MLR rebate calculation purposes, LDH allows a health plan to defer its expenses and revenues to the subsequent MLR reporting period if 50 percent or more of the total capitation payments received in an MLR reporting period are attributable to new Medicaid enrollees with less than 12 months of experience with the reporting entity in that MLR reporting period. This deferred experience is added to the subsequent MLR reporting period to calculate the MLR rebate. Humana Health Benefit Plan of Louisiana, Inc. elected to defer the expenses and revenues incurred for the period of January 1, 2023 to June 30, 2023 to the subsequent year. Therefore, the Adjusted MLR (For Rebate Remittance Purposes) values on line 31b presented in the enclosed Adjusted Non-Expansion Medical Loss Ratio and Adjusted Expansion Medical Loss Ratio tables for the period of January 1, 2023 to June 30, 2023 are reflected as 0 percent. The Total Adjusted MLR Numerator and the Total Adjusted MLR Denominator deferred amounts examined and presented herein will be added to the MLR rebate remittance calculation for the July 1, 2023 through June 30, 2024 MLR reporting period.

Schedule of Adjustments

During our examination, we identified the following adjustments.

Adjustment #1 - To reclassify FMP expenses from directed payments to incurred claims

The health plan reported Full Medicaid Pricing (FMP) expenses in the directed payments line of the asfiled MLR. FMP expenses should be reported in incurred claims. We will reclassify FMP expenses from directed payments to incurred claims using the amounts verified. The difference between the as-filed amounts and the verified amounts will be an adjustment 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 – Non-Expansion				
Line #	Line Description	Amount		
1	Total Incurred Claims	\$13,983,629		
3c	State Directed Payments (SDPs distributed to providers)	(\$16,478,831)		

	Proposed Adjustment – Expansion				
Line #	Line Description	Amount			
1	Total Incurred Claims	\$16,478,560			
3с	State Directed Payments (SDPs distributed to providers)	(\$16,253,298)			

Adjustment #2 - To reclassify FMP revenues and adjust revenues to State verified amounts

The health plan reported Full Medicaid Pricing (FMP) revenues in the directed payments line of the asfiled MLR. FMP revenues should be reported in premium revenues. We will reclassify FMP revenues from directed payments to premium revenues and adjust the total revenues to the State verified amounts. The difference between the as-filed amounts and the verified amounts will be an adjustment 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 – Non-Expansion				
Line #	Line Description	Amount			
21	Premium Revenue	\$17,526,130			
22	Directed Payments	(\$16,478,831)			

Proposed Adjustment – Expansion				
Line #	Line Description	Amount		
21	Premium Revenue	\$14,670,958		
22	Directed Payments	(\$16,253,298)		

Adjustment #3 – To adjust premium taxes to the verified State data

The health plan reported premium taxes for the Non-Expansion and Expansion populations. An adjustment was proposed to account for the updated premium tax calculations as a result of the revised revenue amounts in Adjustment #2. The tax 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 – Non-Expansion	
Line #	Line Description	Amount
23	Premium Revenue	(\$191,387)

	Proposed Adjustment – Expansion		
Line #	Line Description	Amount	
23	Premium Revenue	\$270,537	

Adjustment #4 - To adjust the creditability factor to reflect annualized member months

The health plan reported a credibility adjustment amount of 1.1 percent for the Expansion population. This was the result of the health plan reporting 334,746 member months, which fell below the required 380,000 member month requirement to be considered fully creditable. However, these member month amounts represent only six months of member months for the period of January 2023 through June 2023. The CMS credibility factor is based upon a twelve month period. Fully annualizing the reported member months result in member months greater than the 380,000 members months required to be considered fully creditable. As a result, this plan is considered fully credible and an adjustment is necessary to remove the credibility factor reported. The credibility reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR § 438.8(h).

Proposed Adjustment – Expansion				
Line #	Line Description	Amount		
30a	Credibility Adjustment	(1.1%)		

Adjustment #5 - To adjust deferred new experience to account for the examination adjustments

As disclosed in the Report Disclosure section of this report, the health plan has elected to defer all numerator and denominator amounts attributed to new enrollees to the subsequent reporting period of July 1, 2023 through June 30, 2024 for MLR rebate remittance calculation purposes. During the course of this examination, we have proposed several adjustments that would impact these deferral amounts. As a result, the following adjustments are necessary to account for the deferral of these adjustment amounts. The deferral election and reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide.

Proposed Adjustment – Non-Expansion			
Line #	Line Description	Amount	
14	Less: Adjustment for 50% or more of Medical expenses attributed to new enrollees	(\$2,495,202)	
26	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$1,238,686	

Proposed Adjustment – Expansion			
Line #	Line Description	Amount	
14	Less: Adjustment for 50% or more of Medical expenses attributed to new enrollees	\$225,262	
26	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	(\$1,852,877)	