

June 17, 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

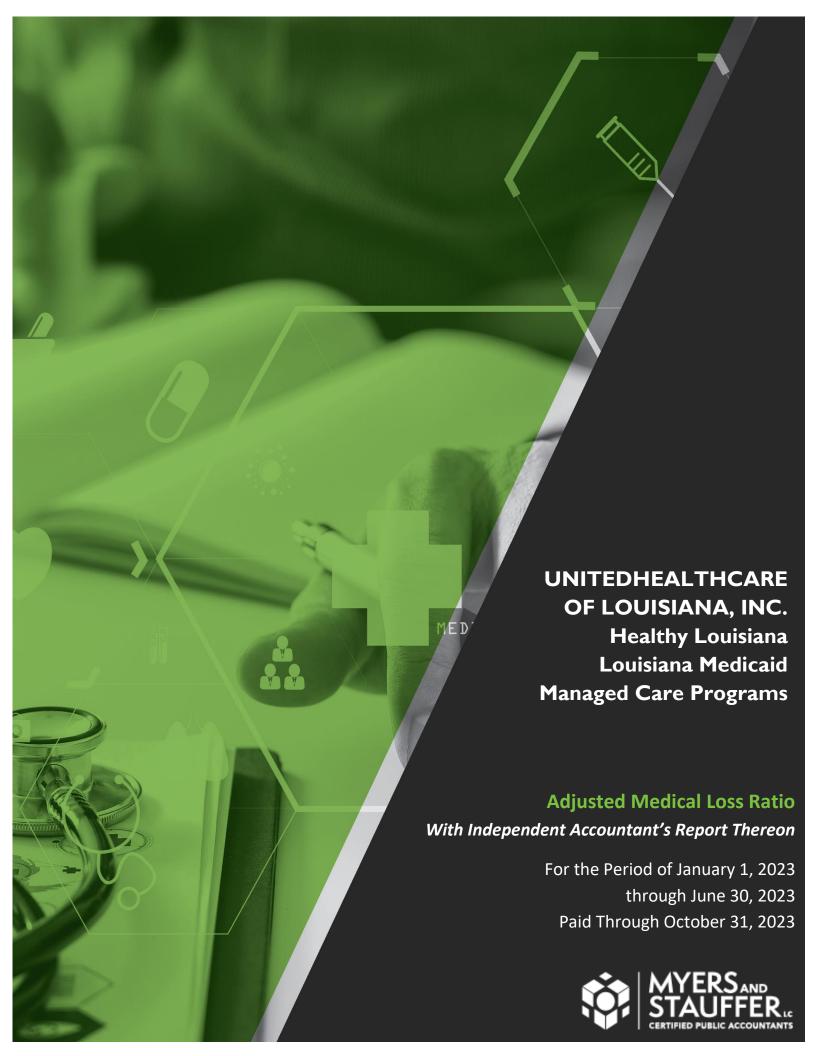
Re: Adjusted Medical Loss Ratio (Non-Expansion and Expansion) examination report for UnitedHealthcare of Louisiana, Inc. for the period of January 1, 2023 through June 30, 2023

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 UnitedHealthcare of 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 UnitedHealthcare 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, 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 13, 2025



Adjusted Medical Loss Ratio for the Period January 1, 2023 through June 30, 2023 Paid Through October 31, 2023 Non-Expansion Population								
Line #	Line Description		Reported Amounts	Adjustment Amounts	Ad	justed Amounts		
Numerato								
1	Total Incurred Claims	\$	590,976,258	\$ -	\$	590,976,258		
	Adjustments to Incurred Claims							
2	Deductions:							
2a	Prescription drug rebates	\$	514,985	\$ -	\$	514,985		
2b	Prompt pay discounts	\$	-	\$ -	\$	-		
2c	Overpayment recoveries received from providers	\$	962,964	\$ -	\$	962,964		
3	Inclusions:							
3a	Incentive and bonus payments made to providers	\$	24,599,564	\$ (14,405,070)	\$	10,194,494		
3b	Fraud reduction expenses	\$	605,281	\$ -	\$	605,281		
3c	State Directed Payments (SDPs distributed to providers)	\$	173,470,212	\$ -	\$	173,470,212		
4	Optional Inclusion: Value-Added Services	\$	3,994,839	\$ -	\$	3,994,839		
5	Exclusions:							
5a	Non-Claims Costs	\$	2,100,419	\$ -	\$	2,100,419		
5b	Prior year MLR rebates paid to LDH	\$	-	\$ -	\$	-		
5c	Payments delegated vendors exceeding amount paid to providers	\$	737,099	\$ -	\$	737,099		
5d	Spread pricing amounts paid to PBM	\$	-	\$ -	\$	-		
5e	Reinsurance premiums exceeding reinsurance recoveries	\$	598,631	\$ -	\$	598,631		
6	Other: Incurred claims assumed	\$	-	\$ -	\$	-		
7	Adjusted Incurred Claims	\$	788,732,056	\$ (14,405,070)	\$	774,326,986		
	Health Care Quality Improvement (HCQI) Expenses							
8	HCQI admin expenses	\$	9,899,129	\$ -	\$	9,899,129		
9	Exclusions to HCQI	\$	133,687	\$ -	\$	133,687		
	Health Information Technology (HIT) Expenses							
10	HIT administrative expenses	\$	2,530,331	\$ -	\$	2,530,331		
11	Exclusions to HIT expenses	\$	13,692	\$ -	\$	13,692		
12	External Quality Review (EQR) related expenses	\$	-	\$ -	\$	-		
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$	801,014,137	\$ (14,405,070)	\$	786,609,067		
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	\$	801,014,137	\$ (14,405,070)	\$	786,609,067		
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*							
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$	27,259,826	\$ -	\$	27,259,826		
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)	\$	7,984,072	\$ -	\$	7,984,072		
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$	3,105,371	\$ -	\$	3,105,371		
20	Total Adjusted Non-Claims Cost	\$	38,349,269	\$ -	\$	38,349,269		



	Adjusted Medical Loss Ratio for the Period January 1, 2023 through Ju Non-Expansion Population		30, 2023 Paid Thro	ugh	October 31, 2023	:	
Line #	Line Description		Reported Amounts	Adj	ustment Amounts	Ad	justed Amounts
Denomina 21		<u>^</u>	663,784,781	ċ	(14.050.500)	_	C48 024 102
22	Healthy Louisiana Premium Revenue	\$		-	(14,850,588)	\$	648,934,193
22	Directed Payments	Ş	183,566,362	Ş	-	۶ -	183,566,362
	Revenue Adjustments					_	
23	Less: Premium tax component of reported revenue	\$	44,582,769	_	-	\$	44,582,769
24	Less: Other taxes and licensing and regulatory fees	\$	(9,949,202)	_	-	\$	(9,949,202
25	Net Annual MLR Revenue	\$	812,717,576	\$	(14,850,588)	\$	797,866,988
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	\$	812,717,576	\$	(14,850,588)	\$	797,866,988
∕ILR Calcu	lation						
29	MLR Percentage Achieved (Unadjusted MLR)		98.6%		0.0%		98.69
30	Credibility Adjustment		0.0%		0.0%		0.09
31	Adjusted MLR		98.6%		0.0%		98.69
32	MLR Percentage Requirement for Rebate Calculation		85.0%				85.09
33	Calculated Percentage for Remittance Purposes		0.0%		0.0%		0.09
34	Dollar Amount of Rebate Requirement	\$	-	\$	-	\$	-
Reconcilia	tion 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	\$	-	\$	-	\$	-
38	MLR Member Months		1,721,473		-		1,721,473

<sup>\*</sup>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 January 1, 2023 through Ju Expansion Population	une 30	), 2023 Paid Thro	ough October 31, 202	3	
Line #	Line Description	Re	ported Amounts	Adjustment Amounts	Adj	justed Amounts
lumerato	or .					
1	Total Incurred Claims	\$	609,047,735	\$ -	\$	609,047,735
	Adjustments to Incurred Claims					
2	Deductions:					
2a	Prescription drug rebates	\$	775,110	\$ -	\$	775,110
2b	Prompt pay discounts	\$	-	\$ -	\$	-
2c	Overpayment recoveries received from providers	\$	-	\$ -	\$	-
3	Inclusions:					
3a	Incentive and bonus payments made to providers	\$	16,360,604	\$ (15,688,051	\$	672,553
3b	Fraud reduction expenses	\$	626,420	\$ -	\$	626,420
3c	State Directed Payments (SDPs distributed to providers)	\$	188,594,893	\$ -	\$	188,594,893
4	Optional Inclusion: Value-Added Services	\$	3,962,696	\$ -	\$	3,962,696
5	Exclusions:					
5a	Non-Claims Costs	\$	899,200	\$ -	\$	899,200
5b	Prior year MLR rebates paid to LDH	\$	-	\$ -	\$	-
5c	Payments delegated vendors exceeding amount paid to providers	\$	822,786	\$ -	\$	822,786
5d	Spread pricing amounts paid to PBM	\$	-	\$ -	\$	-
5e	Reinsurance premiums exceeding reinsurance recoveries	\$	648,623	\$ -	\$	648,623
6	Other: Incurred claims assumed	\$	-	\$ -	\$	-
7	Adjusted Incurred Claims	\$	815,446,629	\$ (15,688,051	\$	799,758,578
	Health Care Quality Improvement (HCQI) Expenses					
8	HCQI admin expenses	\$	7,523,875	\$ -	\$	7,523,875
9	Exclusions to HCQI	\$	88,640	\$ -	\$	88,640
	Health Information Technology (HIT) Expenses					
10	HIT administrative expenses	\$	2,388,624	\$ -	\$	2,388,624
11	Exclusions to HIT expenses	\$	9,807	-	\$	9,807
12	External Quality Review (EQR) related expenses	\$	-	\$ -	\$	-
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$	825,260,681	\$ (15,688,051	\$	809,572,630
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	\$	825,260,681	\$ (15,688,051	\$	809,572,630
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*					
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$	27,958,164	\$ -	\$	27,958,164
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)	\$	7,218,350	\$ -	\$	7,218,350
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$	2,099,191	\$ -	\$	2,099,191
20	Total Adjusted Non-Claims Cost	\$	37,275,705	\$ -	\$	37,275,705

	Adjusted Medical Loss Ratio for the Period January 1, 2023 through Ju Expansion Population	ne :	30, 2023 Paid Thro	ugh O	ctober 31, 2023		
Line #	Line Description	1	Reported Amounts	Adjus	tment Amounts	A	djusted Amounts
enomin	itor						
21	Healthy Louisiana Premium Revenue	\$	719,310,547	\$	(16,173,249)	\$	703,137,298
22	Directed Payments	\$	199,571,315	\$		\$	199,571,315
	Revenue Adjustments	Ė				Ė	
23	Less: Premium tax component of reported revenue	\$	46,669,025	\$	-	\$	46,669,025
24	Less: Other taxes and licensing and regulatory fees	\$	(660,573)	\$	-	\$	(660,573
25	Net Annual MLR Revenue	\$	872,873,410	\$	(16,173,249)	\$	856,700,161
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	\$	872,873,410	\$	(16,173,249)	\$	856,700,161
/ILR Calc	ulation						
29	MLR Percentage Achieved (Unadjusted MLR)		94.5%		0.0%		94.5
30	Credibility Adjustment		0.0%		0.0%		0.09
31	Adjusted MLR		94.5%		0.0%		94.5
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	\$	-	\$	-	\$	-
	tion 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	\$	-	\$	-	\$	-
38	MLR Member Months		1,082,632				1,082,632
50	INER INCHES		1,002,032				1,002,03

<sup>\*</sup>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**

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	(\$14,850,588)					
3a	Incentive and bonus payments made to providers	(\$14,405,070)					

Proposed Adjustment – Expansion							
Line #	Line Description	Amount					
21	Healthy Louisiana Premium Revenue	(\$16,173,249)					
3a	Incentive and bonus payments made to providers	(\$15,688,051)					

# UnitedHealthcare of Louisiana, Inc. Management Response



Myers and Stauffer LC 1349 W Peachtree Street NE, Suite 1600 Atlanta, GA 30309

RE: Myers and Stauffer proposed MLR reporting adjustments.

We have reviewed the audit report for the period of January 1, 2023 through June 30, 2023 for the Louisiana MLR audit. Our response to the recommended adjustment noted on the report is addressed below. If you require additional information, please let us know.

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

*UHC Response:* 

Louisiana's Managed Care Incentive Payment (MCIP) expenses and revenue were reported in accordance with the MLR reporting instructions at the time of the filing. UHC acknowledges the fact that reporting instructions were updated as part of this examination to address MCIP treatment on the January 1, 2023 through June 30, 2023 annual MLR reporting.

Brul Butell	
Chief Financial Officer	
Chief Financial Officer	
Title	
6/13/2025	
Date	