



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 July 1, 2023 through June 30, 2024 for the Louisiana MLR audit. Our response to the recommended adjustments noted on the report are 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 July 1, 2023 through June 30, 2024 annual MLR reporting.

**Adjustment #2 – To adjust non-qualifying and unsupported HCQI/HIT expenses**

*UHC Response:*

CMS issued new Medical Loss Ratio (MLR) requirements as part of the Medicaid and CHIP Managed Care Access, Finance, and Quality Final Rule (CMS-2439-F), published May 10, 2024, with an effective date of July 9, 2024. These updated standards modify MLR reporting procedures under 42 CFR 438.8, including the mandatory inclusion of state-directed payments (SDPs) in the MLR calculation, enhanced transparency for provider incentive payments, and stricter prohibitions on counting indirect expenses as quality improvement activities. The updated rule also expands oversight expectations for states and requires more rigorous methodologies for managed care plan expense allocation. UHC notes that the effective date of these revised standards was after the June 30, 2024 close of the MLR reporting period under review.

\_\_\_\_\_  
Chief Financial Officer or Other Person Authorized to Sign

Chief Financial Officer

\_\_\_\_\_  
Title

March 25, 2026

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Date