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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 DentaQuest (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 May 6, 2025



Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
umerato				
1	Total Incurred Claims	\$ 47,681,389	\$ 287,868	\$ 47,969,25
	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	\$ -	\$ -	\$ -
3b	Fraud reduction expenses	\$ 19,478	\$ -	\$ 19,478
3c	State Directed Payments (SDPs distributed to providers)	\$ -	\$ -	\$ -
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	\$ 47,700,867	\$ 287,868	\$ 47,988,735
	Health Care Quality Improvement (HCQI) Expenses	, ,	,	· · ·
8	HCQI administrative expenses	\$ 22,805	\$ (22,805)	\$ -
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses	T	7	7
10	HIT administrative expenses	\$ 37,489	\$ (18,446)	\$ 19,043
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 47,761,161	\$ 246,617	\$ 48,007,778
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	\$ 47,761,161	\$ 246,617	\$ 48,007,778
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Σ.0,021	1.0,007,777
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 3,321,358	\$ -	\$ 3,321,358
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)	\$ -	\$ -	\$ -
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ -	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 3,321,358	\$ -	\$ 3,321,358

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
enomina	itor	1	1	I
21	Premium Revenue	\$ 55,713,323	\$ 975,220	\$ 56,688,543
22	Directed Payments	\$ -	\$ -	\$ -
	Revenue Adjustments			
23	Less: Premium tax component of reported revenue	\$ 1,253,550	\$ 21,942	\$ 1,275,492
24	Less: Other taxes and licensing and regulatory fees	\$ -	\$ 3,188,477	\$ 3,188,477
25	Net Annual MLR Revenue	\$ 54,459,774	\$ (2,235,199)	\$ 52,224,575
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	\$ 54,459,774	\$ (2,235,199)	\$ 52,224,575
1LR Calcu 29		87.7%	4.2%	91.99
	MLR Percentage Achieved (Unadjusted MLR)	0.0%		0.09
30	Credibility Adjustment Adjusted MLR	87.7%		91.99
31 32	MLR Percentage Requirement for Rebate Calculation	87.7% 85.0%		85.09
33	Calculated Percentage for Remittance Purposes	0.0%		0.09
34	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -
34	Donal Amount of Repate Requirement	٧	٧	٧
econcilia	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	\$ -	\$ -	\$ -

^{*}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.

 $[\]ensuremath{^{**}\text{Percentages}}$ and amounts may not appear to foot and crossfoot due to rounding.



Line # Line Description Reported Amounts Adjustment Amounts Adjusted Amounts				
		Reported Amounts	Aujustinent Amounts	Aujusteu Amounts
umerato 1	r Total Incurred Claims	\$ 4,323,737	\$ 47,405	ć 4.271.141
		\$ 4,323,737	\$ 47,405	\$ 4,371,142
2	Adjustments to Incurred Claims Deductions:			
2 2a	Prescription drug rebates	\$ -	\$ -	\$ -
2a 2b	· · · · ·	\$ -	\$ -	\$ -
2c	Prompt pay discounts Overpayment recoveries received from providers	\$ -	\$ -	\$ -
3		· -	-	\$ -
3a	Inclusions:	\$ -	\$ -	\$ -
	Incentive and bonus payments made to providers	· .		
3b	Fraud reduction expenses	· ·	· ·	,
3c	State Directed Payments (SDPs distributed to providers)	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ -	\$ -	\$ -
5	Exclusions:	_	l 4	<u> </u>
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	\$ 4,324,310	\$ 47,405	\$ 4,371,715
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI administrative expenses	\$ 15,984	\$ (15,984)	
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ 26,277	\$ (12,842)	\$ 13,435
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 4,366,571	\$ 18,579	\$ 4,385,150
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	\$ 4,366,571	\$ 18,579	\$ 4,385,150
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 2,328,015	\$ -	\$ 2,328,015
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)	\$ -	\$ -	\$ -
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ -	\$ -	\$ -
20	Total Adjusted Non-Claims Cost	\$ 2,328,015	\$ -	\$ 2,328,015

Adjusted Medical Loss Ratio for the Six-Month Period Ended June 30, 2023 Paid Through October 31, 2023					
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts	
Denomina	ator				
21	Premium Revenue	\$ 5,056,599	\$ 1,976	\$ 5,058,575	
22	Directed Payments	\$ -	\$ -	\$ -	
	Revenue Adjustments				
23	Less: Premium tax component of reported revenue	\$ 113,773	\$ 44	\$ 113,817	
24	Less: Other taxes and licensing and regulatory fees	\$ -	\$ 288,880	\$ 288,880	
25	Net Annual MLR Revenue	\$ 4,942,825	\$ (286,948)	\$ 4,655,877	
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	\$ 4,942,825	\$ (286,948)	\$ 4,655,877	
MLR Calcu	ulation				
29	MLR Percentage Achieved (Unadjusted MLR)	88.3%	5.9%	94.29	
30	Credibility Adjustment	0.0%	0.0%	0.09	
31	Adjusted MLR	88.3%	5.9%	94.29	
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	\$ -	\$ -	\$ -	

Reconcili	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	\$ -	\$ -	\$	-
38	MIR Member Months	2 401 331	_		2 //01 331

^{*}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.

 $[\]ensuremath{^{**}}\mbox{Percentages}$ and amounts may not appear to foot and crossfoot due to rounding.



Schedule of Adjustments

During the course of the engagement, we identified the following adjustment(s).

Adjustment #1 - To adjust incurred claims to the verified amounts.

The health plan reported incurred claims of \$47,681,389 for the Non-Expansion population and \$4,323,737 for the Expansion population. Based on the supporting documentation provided by the plan, Myers and Stauffer determined that the plan reported incurred claims with one month of run-out instead of fourth months of run-out. The variance between the reported incurred claims amounts and the verified amount will be an adjustment to line 1 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	\$287,868	

Proposed Adjustment – Expansion			
Line #	Line Description	Amount	
1	Total Incurred Claims	\$47,405	

Adjustment #2 - To adjust Health Care Quality Improvement (HCQI) to the verified amounts.

The health plan reported HCQI expenses of \$22,805 for the Non-Expansion population and \$15,984 for the Expansion population. It was determined the health plan included non-qualifying HCQI expenses based on federal guidance. The variance between the reported HCQI amounts and the verified amounts will be an adjustment to line 8 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
8	HCQI administrative expenses	(\$22,805)

	Proposed Adjustment – Expansion	
Line #	Line Description	Amount
8	HCQI administrative expenses	(\$15,984)



Adjustment #3 - To adjust Health Information Technology (HIT) to the verified amounts.

The health plan reported HIT expenses of \$37,489 for the Non-Expansion population and \$26,277 for the Expansion population. It was determined the health plan included non-qualifying HIT expenses based on federal guidance. The variance between the reported HIT amounts and the verified amounts will be an adjustment to line 10 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
10	HIT administrative expenses	(\$18,446)

Proposed Adjustment – Expansion		
Line #	Line Description	Amount
10	HIT administrative expenses	(\$12,842)

Adjustment #4 – To adjust premium revenue to the verified amounts.

The health plan reported premium revenue of \$55,713,323 for the Non-Expansion population and \$5,056,599 for the Expansion population. The state's revenue data supported premium revenue of \$56,688,543 for the Non-Expansion population and \$5,058,575 for the Expansion population. The variance between the reported premium revenue amounts and the state's data will be an adjustment to line 21 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	\$975,220

Proposed Adjustment – Expansion		
Line #	Line Description	Amount
21	Premium Revenue	\$1,976



Adjustment #5 – To adjust income tax to the verified amounts.

The health plan did not report income taxes on their as-filed MLR. Based on our review of the audited financial statements, Myers and Stauffer determined that income tax of \$3,188,477 for the Non-Expansion population and \$288,880 for the Expansion population should have been reported. An adjustment will be made to line 24 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
24	Less: Other taxes and licensing and regulatory fees	\$3,188,477

Proposed Adjustment – Expansion		
Line #	Line Description	Amount
24	Less: Other taxes and licensing and regulatory fees	\$288,880

Adjustment #6 – To adjust premium tax to the verified amounts.

The health plan reported premium taxes of \$1,253,550 for the Non-Expansion population and \$113,773 for the Expansion population. The state's revenue data supported premium taxes of \$1,275,492 for the Non-Expansion population \$113,817 and for the Expansion population. The variance between the reported premium tax amounts and the state's data will be an adjustment to line 23 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
23	Less: Premium tax component of reported revenue	\$21,942

Proposed Adjustment – Expansion			
Line #	Line Description	Amount	
23	Less: Premium tax component of reported revenue	\$44	