



March 25, 2021

Via Electronic Mail

Louisiana Department of Health
Steve Annison, Medicaid Program Manager
628 N. 4th Street
Baton Rouge, LA 70802

Re: Adjusted Medical Loss Ratio Examination Report Transmittal

This letter is to inform you that Myers and Stauffer LC has completed the examination of Healthy Blue of Louisiana Adjusted Medical Loss Ratio for the period ended December 31, 2019. As a courtesy to the Louisiana Department of Health and other readers, the health plan management's response letter is included, if provided, 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's response letter.

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

Kind Regards,

Myers and Stauffer LC

The background features a blurred image of a person's face and hands, overlaid with a green geometric pattern of lines and shapes. Various medical icons are scattered throughout, including a syringe, a pill, a stethoscope, a microscope, a group of people, and a cross. The text is positioned on the right side of the page, set against a dark grey background.

Healthy Blue of Louisiana
Medicaid Managed Care Programs

Report on Adjusted Medical Loss Ratio
With Independent Accountant's Report Thereon

For the Calendar Year Ending
December 31, 2019
Paid through April 30, 2020



Table of Contents

■ Table of Contents.....	1
■ Independent Accountant’s Report.....	2
■ Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020.....	3



State of Louisiana
Louisiana Department of Health
Baton Rouge, Louisiana

Independent Accountant's Report

We have examined the accompanying Adjusted Medical Loss Ratio (MLR) of Healthy Blue of Louisiana for the calendar year ending December 31, 2019. Healthy Blue of Louisiana's management is responsible for presenting the Financial Reporting Template in accordance with the criteria set forth in Healthy Louisiana's MLR Reporting Guide (Guide), and Centers for Medicare & Medicaid Services (CMS) federal guidance (criteria). This criteria was used to prepare the Adjusted MLR. Our responsibility is to express an opinion on the Adjusted MLR 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 MLR is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted MLR. 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 MLR, 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.

The accompanying Adjusted MLR was prepared 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 above referenced accompanying Adjusted Medical Loss Ratio Rebate Calculation of Healthy Blue of Louisiana is presented in accordance with the above referenced criteria, in all material respects, and the Adjusted MLR Percentage Achieved exceeds the CMS minimum requirement of eighty-five percent (85%) for the period of January 1, 2019 through December 31, 2019.

This report is intended solely for the information and use of the Louisiana Department of Health, Mercer, and Healthy Blue of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Myers and Stauffer LC
Atlanta, Georgia
March 23, 2021



Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
1	Total Incurred Claims	\$ 1,368,809,120	\$ -	\$ 1,368,809,120
Adjustments to Incurred Claims				
2	<i>Deductions:</i>			
2a	Prescription drug rebates	\$ 4,865,617	\$ -	\$ 4,865,617
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ -	\$ -	\$ -
3	<i>Inclusions:</i>			
3a	Incentive and bonus payments made to providers	\$ 444,235.00	\$ -	\$ 444,235
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ -	\$ -	\$ -
5	<i>Exclusions:</i>			
5a	Non-Claims Costs	\$ -	\$ -	\$ -
5b	Prior year MLR rebates paid to LDH	\$ -	\$ -	\$ -
5c	Payments to delegated vendors exceeding amount paid to providers	\$ -	\$ -	\$ -
5d	Spread pricing amounts paid to PBM	\$ 18,394,408	\$ -	\$ 18,394,408
5e	Reinsurance premiums exceeding reinsurance recoveries	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 1,345,993,330	\$ -	\$ 1,345,993,330
Health Care Quality Improvement (HCQI) Expenses				
8	HCQI administrative expenses	\$ 16,645,593	\$ -	\$ 16,645,593
9	Exclusions to HCQI	\$ 2,221,217	\$ -	\$ 2,221,217
Health Information Technology (HIT) Expenses				
10	HIT administrative expenses	\$ 3,954,143	\$ -	\$ 3,954,143
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses*	\$ 1,364,371,850	\$ -	\$ 1,364,371,850.00
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 30 below	\$ -	\$ -	\$ -
16	Total Adjusted MLR Numerator*	\$ 1,364,371,850	\$ -	\$ 1,364,371,850
Revenues				
17	Healthy Louisiana Premium Revenue	\$ 1,539,317,217	\$ -	\$ 1,539,317,217
Revenue Adjustments				
18	Less: Health Insurance Provider Fee (HIPF)	\$ -	\$ -	\$ -
19	Less: Premium tax component of reported revenue	\$ 84,662,447	\$ -	\$ 84,662,447
20	Less: Other taxes and licensing and regulatory fees	\$ -	\$ -	\$ -
21	Net Annual MLR Revenue	\$ 1,454,654,770	\$ -	\$ 1,454,654,770
22	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$ -	\$ -	\$ -
23	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	\$ -	\$ -	\$ -
24	Total Adjusted MLR Denominator	\$ 1,454,654,770	\$ -	\$ 1,454,654,770

*Minor footing variance due to rounding.



Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2019 Paid Through April 30, 2020				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
MLR Calculation				
25	MLR Percentage Achieved	93.8%	0.0%	93.8%
26	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
27	Percentage Below 85% Requirement	0.0%	0.0%	0.0%
28	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -

Reconciliation of Prior Year New Enrollee Capitation Exclusion			
29	Prior year new enrollee capitation adjustment exclusion (net of premium tax)		\$ -
30	Less: Prior year incurred claims for excluded New Enrollees		\$ -
31	Total Net Adjustment for New Enrollees from prior years		\$ -

32	MLR Member Months		3,291,548
----	-------------------	--	-----------

Credibility Adjustment Applied			
33	MLR Percentage Achieved		93.8%
34	Credibility Adjustment		0.0%
35	Adjusted MLR Percentage Achieved		93.8%
36	MLR Percentage Requirement for Rebate Calculation		85.0%
37	Percentage Below 85% Requirement		0.0%
38	Dollar Amount of Rebate Requirement		\$ -