

The background of the cover is a blurred photograph of a medical professional, likely a nurse, wearing a white coat and gloves, attending to a patient. A large, semi-transparent green overlay covers the left and center portions of the image. Overlaid on this green area are several white icons: a syringe in the upper right, a pill in the middle left, a virus particle in the center, a large cross in the center, and a group of three people in the lower center. A network of white lines connects these icons, suggesting a medical or healthcare system. The right side of the cover is a solid dark grey.

Louisiana Healthcare Connections, Inc.

Medicaid Managed Care Programs

**Report on Adjusted Medical Loss Ratio**

***With Independent Accountant's Report Thereon***

For the Calendar Year Ending December 31, 2020

Paid through April 30, 2021



**MYERS AND  
STAUFFER** L.C.  
CERTIFIED PUBLIC ACCOUNTANTS



## Table of Contents

■ Table of Contents.....	1
■ Independent Accountant’s Report.....	2
■ <i>Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2020 Paid</i> Through April 30, 2021.....	3



State of Louisiana  
Louisiana Department of Health  
Baton Rouge, Louisiana

### **Independent Accountant's Report**

We have examined the accompanying Adjusted Medical Loss Ratio of Louisiana Healthcare Connections, Inc. for the calendar year ending December 31, 2020. Louisiana Healthcare Connections, Inc.'s management is responsible for presenting the Medical Loss Ratio (MLR) Reporting in accordance with the criteria set forth in Healthy Louisiana's MLR Reporting Guide, the Code of Federal Regulations (CFR) 42 § 438.8, and other applicable federal guidance (criteria). This criteria was used to prepare the Adjusted Medical Loss Ratio. Our responsibility is to express an opinion on the Adjusted Medical Loss Ratio 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 Ratio is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Adjusted Medical Loss Ratio. 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 Ratio, 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 Medical Loss Ratio 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.

The Other Non-Claims Costs amount reported on the Adjusted Medical Loss Ratio Rebate Calculation has not been subjected to the procedures applied in the examination, and accordingly, we express no opinion on it.

In our opinion the above referenced accompanying Adjusted Medical Loss Ratio Rebate Calculation is presented in accordance with the above referenced criteria, in all material respects, and the Adjusted Medical Loss Ratio Percentage Achieved exceeds the Centers for Medicare & Medicaid Services (CMS) requirement of eighty-five percent (85%) for the calendar year ending December 31, 2020.

This report is intended solely for the information and use of the Louisiana Department of Health, Mercer, and Louisiana Healthcare Connections, Inc. 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 21, 2022



## Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2020 Paid Through April 30, 2021

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2020 Paid Through April 30, 2021				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
<b>Expenses</b>				
1	<b>Total Incurred Claims</b>	\$ 2,086,846,134	\$ -	\$ 2,086,846,134
	<i>Adjustments to Incurred Claims</i>			
2	Deductions:			
2a	Prescription drug rebates	\$ (40,275)	\$ -	\$ (40,275)
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ -	\$ -	\$ -
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 152,854,643	\$ -	\$ 152,854,643
3b	Fraud reduction expenses	\$ 2,937,093	\$ -	\$ 2,937,093
4	Optional Inclusion: Value-Added Services	\$ 9,506,443	\$ -	\$ 9,506,443
5	<b>Exclusions:</b>			
5a	Non-Claims Costs	\$ 19,231,066	\$ -	\$ 19,231,066
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	\$ -	\$ -	\$ -
5e	Reinsurance premiums exceeding reinsurance recoveries	\$ 369,965	\$ -	\$ 369,965
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	<b>Adjusted Incurred Claims</b>	\$ 2,232,583,557	\$ -	\$ 2,232,583,557
	<i>Health Care Quality Improvement (HCQI) Expenses</i>			
8	HCQI administrative expenses	\$ 34,445,755	\$ -	\$ 34,445,755
9	Exclusions to HCQI	\$ 1,489,799	\$ -	\$ 1,489,799
	<i>Health Information Technology (HIT) Expenses</i>			
10	HIT administrative expenses	\$ 6,743,225	\$ -	\$ 6,743,225
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	<b>Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses*</b>	\$ 2,272,282,737	\$ -	\$ 2,272,282,737
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 34 below	\$ -	\$ -	\$ -
16	<b>Total Adjusted MLR Numerator</b>	\$ 2,272,282,737	\$ -	\$ 2,272,282,737
	<b>Non-Claims Cost (For reporting purposes only, not included in Numerator)</b>			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 160,536,358	\$ -	\$ 160,536,358
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)	\$ 1,931,245	\$ -	\$ 1,931,245
19	Adjustments to Non-Claims Cost including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ 19,231,066	\$ -	\$ 19,231,066
20	<b>Total Adjusted Non-Claim Cost*</b>	\$ 181,698,668	\$ -	\$ 181,698,668
<b>Revenues</b>				
21	<b>Healthy Louisiana Premium Revenue</b>	\$ 2,674,870,495	\$ -	\$ 2,674,870,495
	<i>Revenue Adjustments</i>			
22	Less: Health Insurance Provider Fee (HIPF)	\$ 45,973,009	\$ -	\$ 45,973,009
23	Less: Premium tax component of reported revenue	\$ 140,842,745	\$ -	\$ 140,842,745
24	Less: Other taxes and licensing and regulatory fees	\$ 15,966,705	\$ -	\$ 15,966,705
25	<b>Net Annual MLR Revenue</b>	\$ 2,472,088,036	\$ -	\$ 2,472,088,036
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	<b>Total Adjusted MLR Denominator</b>	\$ 2,472,088,036	\$ -	\$ 2,472,088,036

\*Minor footing variance due to rounding



## Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2020 Paid Through April 30, 2021

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2020 Paid Through April 30, 2021				
Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
<b>MLR Calculation</b>				
29	MLR Percentage Achieved	91.9%	0.0%	91.9%
30	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
31	Percentage Below 85% Requirement	0.0%	0.0%	0.0%
32	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -

<b>Reconciliation of Prior Year New Enrollee Capitation Exclusion</b>				
33	Prior year new enrollee capitation adjustment exclusion (net of premium tax)			\$ -
34	Less: Prior year incurred claims for excluded New Enrollees			\$ -
35	Total Net Adjustment for New Enrollees from prior years			\$ -

36	MLR Member Months			5,795,687
----	-------------------	--	--	-----------

<b>Credibility Adjustment Applied</b>				
37	MLR Percentage Achieved			91.9%
38	Credibility Adjustment			0.0%
39	Adjusted MLR Percentage Achieved			91.9%
40	MLR Percentage Requirement for Rebate Calculation			85.0%
41	Percentage Below 85% Requirement			0.0%
42	Dollar Amount of Rebate Requirement			\$ -