

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 virus, a stethoscope, a clipboard, and a group of people. A large green cross is centered over the person's face.

**AMERIHEALTH CARITAS OF
LOUISIANA, INC.**
Medicaid Managed Care Programs

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

For the Calendar Year Ending December 31, 2021
Paid through April 30, 2022



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS



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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 Ratio of AmeriHealth Caritas Louisiana, Inc. for the calendar year ended December 31, 2021. AmeriHealth Caritas Louisiana, 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.

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 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. In accordance with CFR 42 § 438.8, reporting of the Other Non-Claims Costs is required. Any adjustments to the Other Non-Claims Costs were determined without testing as the procedure was outside of the scope of our examination, and accordingly, we express no opinion on it.

In our opinion, the above referenced accompanying Adjusted Medical Loss Ratio is presented in accordance with the above referenced criteria, in all material respects, and the Adjusted Medical Loss Ratio exceeds the



Centers for Medicare & Medicaid Services (CMS) requirement of eighty-five percent (85%) for the Expansion and Non-Expansion population for the calendar year ended December 31, 2021.

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

Myers and Stauffer LC
Atlanta, GA
March 31, 2023



AMERIHEALTH CARITAS OF LOUISIANA, INC. ADJUSTED MEDICAL LOSS RATIO

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022

| Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022 | | | | |
|--|--|------------------|--------------------|------------------|
| Expansion | | | | |
| Line # | Line Description | Reported Amounts | Adjustment Amounts | Adjusted Amounts |
| Expenses | | | | |
| 1 | Total Incurred Claims | \$ 529,839,240 | \$ - | \$ 529,839,240 |
| | <i>Adjustments to Incurred Claims</i> | | | |
| 2 | Deductions: | | | |
| 2a | Prescription drug rebates | \$ 388,871 | \$ - | \$ 388,871 |
| 2b | Prompt pay discounts | \$ - | \$ - | \$ - |
| 2c | Overpayment recoveries received from providers | \$ 999,652 | \$ - | \$ 999,652 |
| 3 | Inclusions: | | | |
| 3a | Incentive and bonus payments made to providers | \$ 29,303,943 | \$ - | \$ 29,303,943 |
| 3b | Fraud reduction expenses | \$ - | \$ - | \$ - |
| 4 | Optional Inclusion: Value-Added Services | \$ 4,946,915 | \$ - | \$ 4,946,915 |
| 5 | Exclusions: | | | |
| 5a | Non-Claims Costs | \$ 2,256,903 | \$ - | \$ 2,256,903 |
| 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 | \$ - | \$ - | \$ - |
| 6 | Other: Incurred claims assumed | | | |
| 7 | Adjusted Incurred Claims | \$ 560,444,673 | \$ - | \$ 560,444,673 |
| | <i>Health Care Quality Improvement (HCQI) Expenses</i> | | | |
| 8 | HCQI administrative expenses | \$ 4,548,937 | \$ - | \$ 4,548,937 |
| 9 | Exclusions to HCQI | \$ - | \$ - | \$ - |
| | <i>Health Information Technology (HIT) Expenses</i> | | | |
| 10 | HIT administrative expenses | \$ 1,063,863 | \$ - | \$ 1,063,863 |
| 11 | Exclusions to HIT expenses | \$ - | \$ - | \$ - |
| 12 | External Quality Review (EQR) related expenses | \$ - | \$ - | \$ - |
| 13 | Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses | \$ 566,057,473 | \$ - | \$ 566,057,473 |
| 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 | Total Adjusted MLR Numerator | \$ 566,057,473 | \$ - | \$ 566,057,473 |
| | <i>Non-Claims Cost (For reporting purposes only, not included in Numerator)</i> | | | |
| 17 | Non-Claims Cost (Excluding amounts reported on lines 18 and 19) | \$ 34,083,859 | \$ - | \$ 34,083,859 |
| 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) | \$ 1,060,393 | \$ - | \$ 1,060,393 |
| 19 | Adjustments to Non-Claims Cost including amounts removed in the line 5 exclusions. (Excluding any related party profit) | \$ 2,256,903 | \$ - | \$ 2,256,903 |
| 20 | Total Adjusted Non-Claim Cost | \$ 37,401,154 | \$ - | \$ 37,401,154 |
| Revenues | | | | |
| 21 | Healthy Louisiana Premium Revenue | \$ 657,220,066 | \$ - | \$ 657,220,066 |
| | <i>Revenue Adjustments</i> | | | |
| 22 | Less: Premium tax component of reported revenue | \$ 34,570,750 | \$ - | \$ 34,570,750 |
| 23 | Less: Other taxes and licensing and regulatory fees | \$ 4,933,918 | \$ - | \$ 4,933,918 |
| 24 | Net Annual MLR Revenue | \$ 617,715,399 | \$ - | \$ 617,715,399 |
| 25 | Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component) | \$ - | \$ - | \$ - |
| 26 | 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 | \$ - | \$ - | \$ - |
| 27 | Total Adjusted MLR Denominator | \$ 617,715,399 | \$ - | \$ 617,715,399 |



**AMERIHEALTH CARITAS OF LOUISIANA, INC.
ADJUSTED MEDICAL LOSS RATIO**

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022

| Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022 | | | | |
|--|---|------------------|--------------------|------------------|
| Expansion | | | | |
| Line # | Line Description | Reported Amounts | Adjustment Amounts | Adjusted Amounts |
| MLR Calculation | | | | |
| 28 | MLR Percentage Achieved | 91.6% | 0.0% | 91.6% |
| 29 | MLR Percentage Requirement for Rebate Calculation | 85.0% | 0.0% | 85.0% |
| 30 | Percentage Below 85% Requirement | 0.0% | 0.0% | 0.0% |
| 31 | Dollar Amount of Rebate Requirement | \$ - | \$ - | 0.0% |

| Reconciliation of Prior Year New Enrollee Capitation Exclusion | | |
|--|--|------|
| 32 | Prior year new enrollee capitation adjustment exclusion (net of premium tax) | \$ - |
| 33 | Less: Prior year incurred claims for excluded New Enrollees | \$ - |
| 34 | Total Net Adjustment for New Enrollees from prior years | \$ - |

| | | |
|----|--------------------------|---------|
| 35 | MLR Member Months | 973,134 |
|----|--------------------------|---------|

| Credibility Adjustment Applied | | |
|--------------------------------|---|-------------|
| 36 | MLR Percentage Achieved | 0.0% |
| 37 | Credibility Adjustment | 0% |
| 38 | Adjusted MLR Percentage Achieved | 0.0% |
| 39 | MLR Percentage Requirement for Rebate Calculation | 85.0% |
| 40 | Percentage Below 85% Requirement | 0.0% |
| 41 | Dollar Amount of Rebate Requirement | \$ - |



AMERIHEALTH CARITAS OF LOUISIANA, INC. ADJUSTED MEDICAL LOSS RATIO

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022

| Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022 | | | | |
|--|--|------------------|--------------------|------------------|
| Non-Expansion | | | | |
| Line # | Line Description | Reported Amounts | Adjustment Amounts | Adjusted Amounts |
| Expenses | | | | |
| 1 | Total Incurred Claims | \$ 637,043,373 | \$ - | \$ 637,043,373 |
| | <i>Adjustments to Incurred Claims</i> | | | |
| 2 | Deductions: | | | |
| 2a | Prescription drug rebates | \$ 696,138 | \$ - | \$ 696,138 |
| 2b | Prompt pay discounts | \$ - | \$ - | \$ - |
| 2c | Overpayment recoveries received from providers | \$ 1,789,528 | \$ - | \$ 1,789,528 |
| 3 | Inclusions: | | | |
| 3a | Incentive and bonus payments made to providers | \$ 36,262,696 | \$ - | \$ 36,262,696 |
| 3b | Fraud reduction expenses | \$ - | \$ - | \$ - |
| 4 | Optional Inclusion: Value-Added Services | \$ 1,895,759 | \$ - | \$ 1,895,759 |
| 5 | Exclusions: | | | |
| 5a | Non-Claims Costs | \$ 4,040,200 | \$ - | \$ 4,040,200 |
| 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 | \$ - | \$ - | \$ - |
| 6 | Other: Incurred claims assumed | | | |
| 7 | Adjusted Incurred Claims | \$ 668,675,962 | \$ - | \$ 668,675,962 |
| | <i>Health Care Quality Improvement (HCQI) Expenses</i> | | | |
| 8 | HCQI administrative expenses | \$ 8,143,290 | \$ - | \$ 8,143,290 |
| 9 | Exclusions to HCQI | \$ - | \$ - | \$ - |
| | <i>Health Information Technology (HIT) Expenses</i> | | | |
| 10 | HIT administrative expenses | \$ 1,904,477 | \$ - | \$ 1,904,477 |
| 11 | Exclusions to HIT expenses | \$ - | \$ - | \$ - |
| 12 | External Quality Review (EQR) related expenses | \$ - | \$ - | \$ - |
| 13 | Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses | \$ 678,723,729 | \$ - | \$ 678,723,729 |
| 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 | Total Adjusted MLR Numerator | \$ 678,723,729 | \$ - | \$ 678,723,729 |
| | <i>Non-Claims Cost (For reporting purposes only, not included in Numerator)</i> | | | |
| 17 | Non-Claims Cost (Excluding amounts reported on lines 18 and 19) | \$ 61,015,296 | \$ - | \$ 61,015,296 |
| 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) | \$ 1,898,264 | \$ - | \$ 1,898,264 |
| 19 | Adjustments to Non-Claims Cost including amounts removed in the line 5 exclusions. (Excluding any related party profit) | \$ 4,040,200 | \$ - | \$ 4,040,200 |
| 20 | Total Adjusted Non-Claim Cost | \$ 66,953,760 | \$ - | \$ 66,953,760 |
| Revenues | | | | |
| 21 | Healthy Louisiana Premium Revenue | \$ 755,381,671 | \$ - | \$ 755,381,671 |
| | <i>Revenue Adjustments</i> | | | |
| 22 | Less: Premium tax component of reported revenue | \$ 39,684,332 | \$ - | \$ 39,684,332 |
| 23 | Less: Other taxes and licensing and regulatory fees | \$ - | \$ - | \$ - |
| 24 | Net Annual MLR Revenue | \$ 715,697,339 | \$ - | \$ 715,697,339 |
| 25 | Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component) | \$ - | \$ - | \$ - |
| 26 | 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 | \$ - | \$ - | \$ - |
| 27 | Total Adjusted MLR Denominator | \$ 715,697,339 | \$ - | \$ 715,697,339 |



AMERIHEALTH CARITAS OF LOUISIANA, INC.
ADJUSTED MEDICAL LOSS RATIO

Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022

| Adjusted Medical Loss Ratio for the Calendar Year Ending December 31, 2021 Paid Through April 30, 2022 | | | | |
|--|---|------------------|--------------------|------------------|
| Non-Expansion | | | | |
| Line # | Line Description | Reported Amounts | Adjustment Amounts | Adjusted Amounts |
| MLR Calculation | | | | |
| 28 | MLR Percentage Achieved | 94.8% | 0.0% | 94.8% |
| 29 | MLR Percentage Requirement for Rebate Calculation | 85.0% | 0.0% | 85.0% |
| 30 | Percentage Below 85% Requirement | 0.0% | 0.0% | 0.0% |
| 31 | Dollar Amount of Rebate Requirement | \$ - | \$ - | 0.0% |

| Reconciliation of Prior Year New Enrollee Capitation Exclusion | | |
|--|--|------|
| 32 | Prior year new enrollee capitation adjustment exclusion (net of premium tax) | \$ - |
| 33 | Less: Prior year incurred claims for excluded New Enrollees | \$ - |
| 34 | Total Net Adjustment for New Enrollees from prior years | \$ - |

| | | |
|----|--------------------------|-----------|
| 35 | MLR Member Months | 1,742,058 |
|----|--------------------------|-----------|

| Credibility Adjustment Applied | | |
|--------------------------------|---|-------------|
| 36 | MLR Percentage Achieved | 0.0% |
| 37 | Credibility Adjustment | 0% |
| 38 | Adjusted MLR Percentage Achieved | 0.0% |
| 39 | MLR Percentage Requirement for Rebate Calculation | 85.0% |
| 40 | Percentage Below 85% Requirement | 0.0% |
| 41 | Dollar Amount of Rebate Requirement | \$ - |