



AmeriHealth Caritas
Louisiana, Inc.

Healthy Louisiana
Louisiana Medicaid
Managed Care Programs

Adjusted Medical Loss Ratio

(With Independent Accountant's Report Theron)

For the State Fiscal Year Ended June 30, 2024

Paid Through October 31, 2024

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Independent Accountant's Report

Louisiana Department of Health
Baton Rouge, Louisiana

We have examined the accompanying Adjusted Medical Loss Ratios of Amerihealth Caritas Louisiana, Inc. (health plan) for their Medicaid Non-Expansion and Expansion populations for the state fiscal year ended June 30, 2024. 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 state fiscal year ended June 30, 2024.

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
February 27, 2026

AMERIHEALTH CARITAS LOUISIANA, INC. ADJUSTED MEDICAL LOSS RATIO NON-EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Numerator				
1	Total Incurred Claims	\$ 543,672,361	\$ (2,305,217)	\$ 541,367,144
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ 303,475	\$ -	\$ 303,475
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ 1,797,116	\$ -	\$ 1,797,116
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 50,518,626	\$ (46,588,795)	\$ 3,929,831
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
3c	State Directed Payments (SDPs distributed to providers)	\$ 183,851,902	\$ -	\$ 183,851,902
4	Optional Inclusion: Value-Added Services	\$ 1,614,175	\$ -	\$ 1,614,175
5	Exclusions:			
5a	Payments delegated vendors exceeding amount paid to providers	\$ -	\$ -	\$ -
5b	Spread pricing amounts paid to PBM	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 777,556,473	\$ (48,894,012)	\$ 728,662,461
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI admin expenses	\$ 6,700,185	\$ 289,940	\$ 6,990,125
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ 1,592,210	\$ 73,331	\$ 1,665,541
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 785,848,868	\$ (48,530,741)	\$ 737,318,127
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	\$ 785,848,868	\$ (48,530,741)	\$ 737,318,127
Non-Claims Costs (For reporting purposes only, not included in Numerator)*				
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 57,292,997	\$ -	\$ 57,292,997
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)	\$ 1,880,021	\$ -	\$ 1,880,021
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ 5,105,342	\$ -	\$ 5,105,342
20	Total Adjusted Non-Claims Cost	\$ 64,278,360	\$ -	\$ 64,278,360

AMERIHEALTH CARITAS LOUISIANA, INC.

ADJUSTED MEDICAL LOSS RATIO

NON-EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Denominator				
21	Healthy Louisiana Premium Revenue	\$ 641,165,889	\$ -	\$ 641,165,889
22	Directed Payments	\$ 194,552,277	\$ -	\$ 194,552,277
23	MCIP	\$ 48,029,686	\$ (48,029,686)	\$ (0)
24	Hep C Risk Corridor	\$ (1,087,106)	\$ -	\$ (1,087,106)
	Revenue Adjustments			
25	Less: Premium tax component of reported revenue	\$ 45,904,708	\$ -	\$ 45,904,708
26	Less: Other taxes and licensing and regulatory fees	\$ 180,788	\$ -	\$ 180,788
27	Net Annual MLR Revenue	\$ 836,575,250	\$ (48,029,686)	\$ 788,545,564
28	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$ -	\$ -	\$ -
29	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	\$ -	\$ -	\$ -
30	Total Adjusted MLR Denominator	\$ 836,575,250	\$ (48,029,686)	\$ 788,545,564
MLR Calculation				
31	MLR Percentage Achieved (Unadjusted MLR)	93.9%	-0.4%	93.5%
32	Credibility Adjustment	0.0%	0.0%	0.0%
33	Adjusted MLR	93.9%	-0.4%	93.5%
34	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
35	Calculated Percentage for Remittance Purposes	0.0%	0.0%	0.0%
36	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -
Reconciliation of Prior Year New Enrollee Capitation Exclusion				
37	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$ -	\$ -	\$ -
38	Less: Prior year incurred claims for excluded New Enrollees	\$ -	\$ -	\$ -
39	Total Net Adjustment for New Enrollees from prior years	\$ -	\$ -	\$ -
40	MLR Member Months	1,530,323	-	1,530,323

*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.

**Percentages and amounts may not appear to foot and crossfoot due to rounding.

AMERIHEALTH CARITAS LOUISIANA, INC. ADJUSTED MEDICAL LOSS RATIO EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Numerator				
1	Total Incurred Claims	\$ 489,892,891	\$ (1,812,803)	\$ 488,080,088
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ 347,988	\$ -	\$ 347,988
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ 2,060,711	\$ -	\$ 2,060,711
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ 42,887,027	\$ (40,650,209)	\$ 2,236,818
3b	Fraud reduction expenses	\$ -	\$ -	\$ -
3c	State Directed Payments (SDPs distributed to providers)	\$ 177,743,735	\$ -	\$ 177,743,735
4	Optional Inclusion: Value-Added Services	\$ 917,771	\$ -	\$ 917,771
5	Exclusions:			
5a	Payments delegated vendors exceeding amount paid to providers	\$ -	\$ -	\$ -
5b	Spread pricing amounts paid to PBM	\$ -	\$ -	\$ -
6	Other: Incurred claims assumed	\$ -	\$ -	\$ -
7	Adjusted Incurred Claims	\$ 709,032,725	\$ (42,463,012)	\$ 666,569,713
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI admin expenses	\$ 3,813,674	\$ 165,031	\$ 3,978,705
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ 906,269	\$ 41,739	\$ 948,008
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 713,752,667	\$ (42,256,242)	\$ 671,496,425
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	\$ 713,752,667	\$ (42,256,242)	\$ 671,496,425
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 32,610,561	\$ -	\$ 32,610,561
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)	\$ 1,070,088	\$ -	\$ 1,070,088
19	Adjustments to Non-Claims including amounts removed in the line 5 exclusions. (Excluding any related party profit)	\$ 2,905,906	\$ -	\$ 2,905,906
20	Total Adjusted Non-Claims Cost	\$ 36,586,555	\$ -	\$ 36,586,555

AMERIHEALTH CARITAS LOUISIANA, INC. ADJUSTED MEDICAL LOSS RATIO EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Denominator				
21	Healthy Louisiana Premium Revenue	\$ 559,759,679	\$ -	\$ 559,759,679
22	Directed Payments	\$ 188,088,608	\$ -	\$ 188,088,608
23	MCIP	\$ 41,907,432	\$ (41,907,432)	\$ 0
24	Hep C Risk Corridor	\$ (1,922,869)	\$ -	\$ (1,922,869)
	Revenue Adjustments			
25	Less: Premium tax component of reported revenue	\$ 41,025,898	\$ -	\$ 41,025,898
26	Less: Other taxes and licensing and regulatory fees	\$ 1,134,024	\$ -	\$ 1,134,024
27	Net Annual MLR Revenue	\$ 745,672,929	\$ (41,907,432)	\$ 703,765,497
28	Less: Adjustment for 50% or more of TOTAL capitation attributed to new enrollees (net of premium tax component)	\$ -	\$ -	\$ -
29	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	\$ -	\$ -	\$ -
30	Total Adjusted MLR Denominator	\$ 745,672,929	\$ (41,907,432)	\$ 703,765,497
MLR Calculation				
31	MLR Percentage Achieved (Unadjusted MLR)	95.7%	-0.3%	95.4%
32	Credibility Adjustment	0.0%	0.0%	0.0%
33	Adjusted MLR	95.7%	-0.3%	95.4%
34	MLR Percentage Requirement for Rebate Calculation	85.0%	0.0%	85.0%
35	Calculated Percentage for Remittance Purposes	0.0%	0.0%	0.0%
36	Dollar Amount of Rebate Requirement	\$ -	\$ -	\$ -
Reconciliation of Prior Year New Enrollee Capitation Exclusion				
37	Prior year new enrollee capitation adjustment exclusion (net of premium tax)	\$ -	\$ -	\$ -
38	Less: Prior year incurred claims for excluded New Enrollees	\$ -	\$ -	\$ -
39	Total Net Adjustment for New Enrollees from prior years	\$ -	\$ -	\$ -
40	MLR Member Months	870,095	-	870,095

*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.

**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 adjustments.

Adjustment #1 – To remove contracted incentive program payments and expenses qualifying under 42 CFR § 438.6(b)(2)

The health plan reported Louisiana's Managed Care Incentive Payment (MCIP) expenses and revenues in the numerator and denominator, respectively, within the health plan's MLR filing. This contracted incentive program is setup under 42 CFR § 438.6(b)(2) which is not includable in the MLR calculation. Both the incentive revenue received by the health plan and any health plan distributions to its providers associated with this program are excludable from the MLR calculation. This exclusion treatment is further confirmed within the MLR final rule commentary. Therefore, adjustments were proposed to remove the as-filed MLR expenses and revenues for the Non-Expansion and Expansion populations related to this incentive program. The MLR numerator and denominator reporting requirements are addressed in the Healthy Louisiana's MLR Reporting Guide and the Medicaid Managed Care Final Rule 42 CFR §§ 438.8(e) and 438.8(f).

Population	Line #	Line Description	Amount
Non-Expansion	23	MCIP	(\$48,029,686)
Non-Expansion	3a	Incentive and bonus payments made to providers	(\$46,588,795)
Expansion	23	MCIP	(\$41,907,432)
Expansion	3a	Incentive and bonus payments made to providers	(\$40,650,209)

Adjustment #2 – To include subrogation recoveries as a reduction to incurred claims

The health plan did not report subrogation recoveries as a reduction to incurred claims for the MLR reporting period. It was determined an account related to subrogation did not flow through claims lag tables and was not deducted from incurred claims. An adjustment was proposed to reflect the recoveries received by the health plan as a reduction to incurred claims. The incurred claims reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2).

Population	Line #	Line Description	Amount
Non-Expansion	1	Total Incurred Claims	(\$1,453,193)
Expansion	1	Total Incurred Claims	(\$817,421)

Adjustment #3 – To adjust incurred claims to remove pharmacy rate guarantees per PBM supporting documentation

The health plan reported pharmacy incurred claims from pharmacy benefit manager (PBM), PerformRx. It was determined that contracted rate guarantee calculations were calculated annually for participating pharmacies based on contracts with the PBM. The calculation outlined, at the Medicaid line of business level, the effective rates paid to pharmacies compared to the contracted discount rates and dispensing fees. The overall impact for the Medicaid line of business was a reduction in reimbursement to the pharmacy providers. An adjustment was proposed to reduce incurred claims for the Medicaid rate guarantees calculated per the PBM’s supporting documentation. The incurred claims and third-party reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2) and Center for Medicaid & CHIP Services Informational Bulletin: MLR Requirements Related to Third Party Vendors dated May 15, 2019.

Population	Line #	Line Description	Amount
Non-Expansion	1	Total Incurred Claims	(\$347,899)
Expansion	1	Total Incurred Claims	(\$426,834)

Adjustment #4 – To remove non-allowable transmission fees

The health plan reported pharmacy incurred claims from their pharmacy benefit manager (PBM), Prime Therapeutics, based on paid claims detail. It was determined that the reported incurred claims expense was overstated due to the inclusion of transmission fees assessed to the health plan by the PBM. An adjustment was proposed to reduce incurred claims by the amount related to the transmission fees to reflect the final amount paid to the pharmacies per PBM supporting documentation. The incurred claims and third party reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(2) and Center for Medicaid & CHIP Services Informational Bulletin: MLR Requirements Related to Third Party Vendors dated May 15, 2019.

Population	Line #	Line Description	Amount
Non-Expansion	1	Total Incurred Claims	(\$504,125)
Expansion	1	Total Incurred Claims	(\$568,548)

Adjustment #5 – To include the first quarter of HCQI/HIT expenses excluded from the MLR

The health plan reported health care quality improvement (HCQI) and health information technology (HIT) expenses. Supporting documentation confirmed that these totals excluded the Quarter 1 SFY 2024 (July 1 – September 30, 2023) HCQI/HIT expenses. The proposed adjustment adds this missing quarter of costs for both HCQI and HIT. The HCQI/HIT reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(3).

Population	Line #	Line Description	Amount
Non-Expansion	8	HCQI administrative expenses	\$2,979,328
Non-Expansion	10	Health information technology (HIT)	\$753,527
Expansion	8	HCQI administrative expenses	\$1,695,802
Expansion	10	Health information technology (HIT)	\$428,899

Adjustment #6 – To remove non-qualifying HCQI/HIT expenses per health plan supporting documentation

The health plan reported health care quality improvement (HCQI) and health information technology (HIT) expenses based on salaries and benefits. It was determined the health plan included non-qualifying expenses based on federal guidance. An adjustment was proposed to remove non-qualifying salaries and benefits per health plan supporting documentation. The HCQI/HIT reporting requirements are addressed in the Medicaid Managed Care Final Rule 42 CFR § 438.8(e)(3).

Population	Line #	Line Description	Amount
Non-Expansion	8	HCQI administrative expenses	(\$2,689,388)
Non-Expansion	10	Health information technology (HIT)	(\$680,196)
Expansion	8	HCQI administrative expenses	(\$1,530,771)
Expansion	10	Health information technology (HIT)	(\$387,160)