



MYERS AND
STAUFFER.LC



MCNA INSURANCE
COMPANY

Dental Services Program
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 MCNA Insurance Company (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 25, 2026

MCNA INSURANCE COMPANY ADJUSTED MEDICAL LOSS RATIO NON-EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Numerator				
1	Total Incurred Claims	\$ 100,210,462	\$ (44,940)	\$ 100,165,522
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ -	\$ -	\$ -
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ 3,914	\$ -	\$ 3,914
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ -	\$ -	\$ -
3b	Fraud reduction expenses	\$ 4,766	\$ -	\$ 4,766
3c	State Directed Payments (SDPs distributed to providers)	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ 25,224	\$ 44,940	\$ 70,164
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	\$ 100,236,538	\$ -	\$ 100,236,538
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI admin expenses	\$ 409,265	\$ (304,771)	\$ 104,494
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ -	\$ -	\$ -
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 100,645,804	\$ (304,771)	\$ 100,341,033
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	\$ 100,645,804	\$ (304,771)	\$ 100,341,033
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 10,403,378	\$ -	\$ 10,403,378
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	\$ 10,403,378	\$ -	\$ 10,403,378

MCNA INSURANCE COMPANY 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	\$ 108,700,362	\$ -	\$ 108,700,362
22	Directed Payments	\$ -	\$ -	\$ -
23	MCIP	\$ -	\$ -	\$ -
24	Hep C Risk Corridor	\$ -	\$ -	\$ -
	Revenue Adjustments			
25	Less: Premium tax component of reported revenue	\$ 2,394,808	\$ -	\$ 2,394,808
26	Less: Other taxes and licensing and regulatory fees	\$ (1,015,384)	\$ (7,565,083)	\$ (8,580,467)
27	Net Annual MLR Revenue	\$ 107,320,939	\$ 7,565,083	\$ 114,886,022
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	\$ 107,320,939	\$ 7,565,083	\$ 114,886,022
MLR Calculation				
31	MLR Percentage Achieved (Unadjusted MLR)	93.8%	-6.4%	87.3%
32	Credibility Adjustment	0.0%	0.0%	0.0%
33	Adjusted MLR	93.8%	-6.4%	87.3%
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	6,214,138	-	6,214,138

*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.

MCNA INSURANCE COMPANY ADJUSTED MEDICAL LOSS RATIO EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Numerator				
1	Total Incurred Claims	\$ 8,163,450	\$ (97,056)	\$ 8,066,394
	Adjustments to Incurred Claims			
2	Deductions:			
2a	Prescription drug rebates	\$ -	\$ -	\$ -
2b	Prompt pay discounts	\$ -	\$ -	\$ -
2c	Overpayment recoveries received from providers	\$ 317	\$ -	\$ 317
3	Inclusions:			
3a	Incentive and bonus payments made to providers	\$ -	\$ -	\$ -
3b	Fraud reduction expenses	\$ 386	\$ -	\$ 386
3c	State Directed Payments (SDPs distributed to providers)	\$ -	\$ -	\$ -
4	Optional Inclusion: Value-Added Services	\$ 2,128	\$ 97,056	\$ 99,184
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	\$ 8,165,647	\$ -	\$ 8,165,647
	Health Care Quality Improvement (HCQI) Expenses			
8	HCQI admin expenses	\$ 33,340	\$ (24,828)	\$ 8,512
9	Exclusions to HCQI	\$ -	\$ -	\$ -
	Health Information Technology (HIT) Expenses			
10	HIT administrative expenses	\$ -	\$ -	\$ -
11	Exclusions to HIT expenses	\$ -	\$ -	\$ -
12	External Quality Review (EQR) related expenses	\$ -	\$ -	\$ -
13	Adjusted Incurred Claims and Adjusted HCQI, HIT and EQR Expenses	\$ 8,198,987	\$ (24,828)	\$ 8,174,159
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	\$ 8,198,987	\$ (24,828)	\$ 8,174,159
	Non-Claims Costs (For reporting purposes only, not included in Numerator)*			
17	Non-Claims Cost (Excluding amounts reported on lines 18 and 19)	\$ 847,498	\$ -	\$ 847,498
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	\$ 847,498	\$ -	\$ 847,498

MCNA INSURANCE COMPANY ADJUSTED MEDICAL LOSS RATIO EXPANSION POPULATION

Line #	Line Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Medical Loss Ratio Denominator				
21	Healthy Louisiana Premium Revenue	\$ 6,406,200	\$ -	\$ 6,406,200
22	Directed Payments	\$ -	\$ -	\$ -
23	MCIP	\$ -	\$ -	\$ -
24	Hep C Risk Corridor	\$ -	\$ -	\$ -
	Revenue Adjustments			
25	Less: Premium tax component of reported revenue	\$ 195,090	\$ -	\$ 195,090
26	Less: Other taxes and licensing and regulatory fees	\$ (82,328)	\$ (616,663)	\$ (698,991)
27	Net Annual MLR Revenue	\$ 6,293,439	\$ 616,663	\$ 6,910,102
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	\$ 6,293,439	\$ 616,663	\$ 6,910,102
MLR Calculation				
31	MLR Percentage Achieved (Unadjusted MLR)	130.3%	-12.0%	118.3%
32	Credibility Adjustment	0.0%	0.0%	0.0%
33	Adjusted MLR	130.3%	-12.0%	118.3%
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	3,756,233	-	3,756,233

**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 adjust Health Care Quality Improvement (HCQI) to the verified amounts.

The health plan reported HCQI expenses on the as-filed MLR. 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. 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).

Population	Line #	Line Description	Amount
Non-Expansion	8	HCQI administrative expenses	(\$304,771)
Expansion	8	HCQI administrative expenses	(\$24,828)

Adjustment #2 – To reclassify value-added services from incurred claims to the value-added services line.

A portion of value-added services were reported in line 4 on the as-filed MLR. However, the full amount paid was not reported on line 4. The remaining value-added expenses were reported in line 1. An adjustment will be made to reclassify the allowable value-added services reported in line 1 to line 4. 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).

Population	Line #	Line Description	Amount
Non-Expansion	1	Total Incurred Claims	(\$44,940)
Expansion	1	Total Incurred Claims	(\$97,056)
Non-Expansion	4	Optional Inclusion: Value-Added Services	\$44,940
Expansion	4	Optional Inclusion: Value-Added Services	\$97,056

Adjustment #3 – To adjust income taxes to the verified amounts.

The health plan reported income taxes on the as-filed MLR. Based on the supporting documentation provided by the plan and our review of tax expense reported on the audited financial statements, the income tax amounts were determined to be inaccurately estimated. The variance between the reported income tax amounts and the verified amounts will be an adjustment to line 26. 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).

Population	Line #	Line Description	Amount
Non-Expansion	26	Less: Other taxes and licensing and regulatory fees	(\$7,565,083)
Expansion	26	Less: Other taxes and licensing and regulatory fees	(\$616,663)